

EAGA Business Builder

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April 21, 2020 - Week 6 of the Lock Down

Today's presenter was Scott Peck—MP Group, Inc



Mr. Peck's presentation was all business, and the vast majority of it was about the new pandemic relief legislation. He divided his discussion into three sections: First—The Paycheck Protection Program (PPP) portion: Scott notes that detailed record keeping will be necessary. Some employers that received funds via this program, are establishing separate accounts for recording any transaction pertinent to how the money was used. Having separate accounts is advisable, but not required by the legislation. Still, it is quite important to keep very detailed records of financial activity regarding the funds. It appears that the lending banks may individually set guidelines of documentation required for loan forgiveness. Make sure that you are keeping track of as many details as you can so that you are ready for whatever the ultimate requirements may be. Paying bonus amounts from the funds will likely be allowed, but only so long as the decision to pay the bonuses was made before the pandemic...and that the decision was properly documented back then. Second section—Tax related portion: NOL carryback rules have been changed. The losses can now be carried back 5 years. If your business is in that situation, you should definitely take advantage of the opportunity. It is a good way to recover cash. And the tax rates used to calculate the refund will be based on the pertinent prior tax rate, not the current lower rates. Depreciation rules have been changed as part of the CARES legislation, so have your tax accountant advise about how the new options pertain to your specific situation. 401k rules have been relaxed for a period of time. There is now the ability to withdraw funds without a penalty even if the participant is less than 59 1/2 years of age. Even though the option is available, it may not be advisable because the plan's investments are likely to be substantially under valued right now. IRS collections are currently on hold as well. Third section—cautions and advice regarding managing company assets during a time when staff duties have been reassigned. Companies that have to furlough or lay off staff will, out of necessity, reassign duties to remaining employees. Make sure that internal controls are restructured to properly maintain security of the company assets. It will be necessary to do more than the usual review of financial statements and bank account activity. Make sure, as best you can, that there aren't any renegade employee activities compromising company assets. Also beware that collusion between employees will be more difficult to detect, so take the time to investigate any anomalies or problem indicators that you may encounter. If something looks suspicious, dig deeper. Mr. Peck already knows a substantial amount about the CARES Act and, but he continues to gather more information as quickly as he can. If you have questions about any of the items that were discussed above; or if you would like clarification of anything noted in this article (obviously Scott knows substantially more than was conveyed in this very brief summary), you can contact Scott at 505-340-2015. He is willing to help as much as he can. One thing that we can count on right now is that the business atmosphere will continue to change. We can hope that, in the very near future, political sanity will be established and we will be able to get back to the standard nail-biting adventures of running a business. Yeah –good luck with that 'political sanity' plan.

Since the governor has expanded her 'stay home' orders through May 15th, we will continue with the virtual meetings for a while longer. Our Executive Director, Mario, will periodically advise on the status of service becoming again available at Tanoan. He will sound the 'all clear' when he detects a light from the glow of bacon at the end of the tunnel.

EAGA Tue, April 28, 2020 7:00 AM - 8:00 AM (MDT)

Join the meeting from your computer, tablet or smartphone.

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You can also dial in using your phone.

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Upcoming Presenters:

Apr 28th: Jukka Jumisko—WSI Web Enhancers

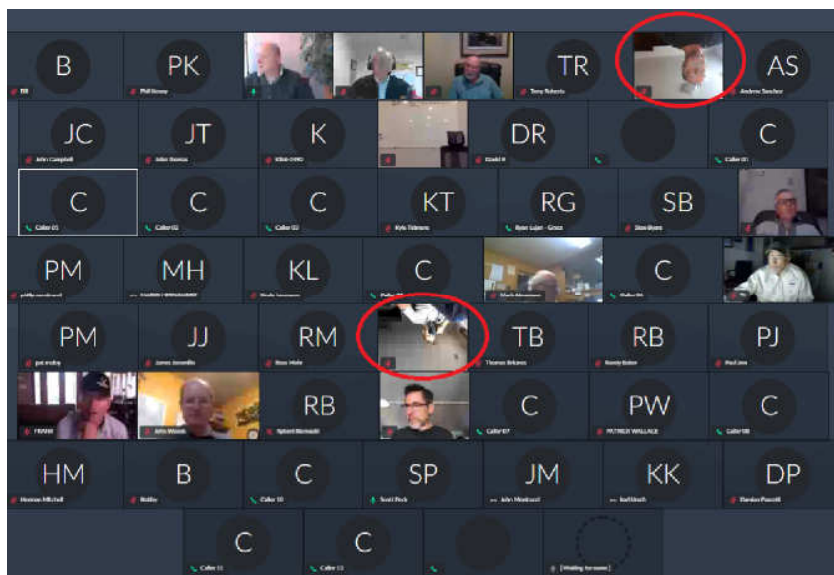
May 5th: Kevin Gullick—SealMaster

When your stay-at-home days, or wildly fluctuating work schedules, seem to drag you down, here are a few guys that you can look to for inspiration, assistance, a good word or just a good laugh. Don't fear. In-person connections (and access to bacon) will be re-established soon.



These days our members are all communicating more via email than has been done in the past. Please take note that there have been additions, reductions and address changes in our membership emailing list. Be mindful that, if you are using an older list, it is probably not accurate. Mario used the most current list for his status update on Sunday. It would be advisable to update your own records to match that list. If you need assistance, or want a new email list, please contact Mario, or me.

As we've progressed through these past few weeks, everyone has learned new ways to communicate and we have discovered the on-line way of doing things. In less than 6 weeks, our group has advanced to a stage of mastering the virtual meeting software...and we have a good indicator of which members were having an upside down pandemic kind of Tuesday.



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