

WHAT ARE THE COVID-19 FINANCIAL IMPLICATIONS FOR YOUR CHILDCARE CENTER

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New Haven Children's Ideal Learning District (NH ChILD)

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NH ChILD is a collaborative, cross-sector community initiative working to ensure that all New Haven children, ages 0 - 8, have access to Ideal Learning opportunities. Ideal Learning principles include relationship-based interactions, child-centered perspective, and a commitment to play, equity, and inquiry.



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Opening Remarks



Garrett Sheehan

President & CEO

Greater New Haven Chamber of Commerce



Mike Piscitelli

Economic Development Administrator at
City of New Haven

Meet Our Speakers



Wendy Waithe Simmons, Ph.D.

Executive Director

New Haven Children's Ideal Learning District (NH ChILD)

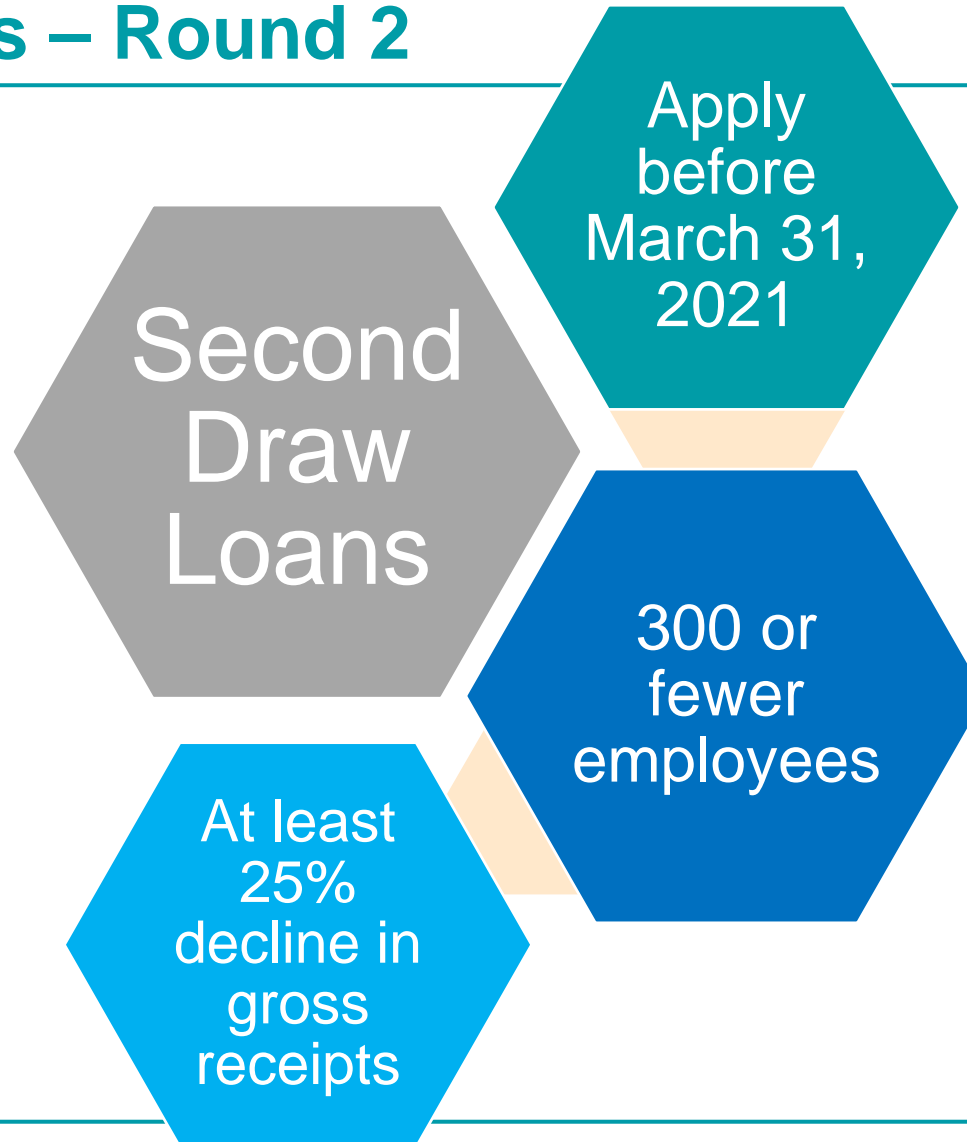


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PPP Loans – Round 2



PPP Loans in the New Law

At least 25% decline in gross receipts during 2020 quarter compared to the same quarter in 2019

Not in business in 2019,
or opened before
2/15/2020?

- Opened 3Q 2019: Any 2020 quarterly receipts are 25% less than 3rd or 4th quarter 2019
- Opened 4Q 2019: Any 2020 quarterly receipts are 25% less than 4th quarter 2019
- Opened in 2020 before 2/15: 2nd, 3rd, or 4th quarter 2020 receipts are at least 25% lower than 1st quarter 2020 receipts

How Much?

Maximum Loan
is
\$2 Million

- 2.5x average monthly payroll
 - Calendar 2019 average payroll or
 - 1 year period immediately before application
 - Seasonal – Avg of any 12 weeks between 2/15/19 and 2/15/20
 - Seasonal: operate 7 months or less, or 2/3+ receipts are in 6 months of year
 - New entity (>2/15/20) – the monthly average of the payroll paid so far
- Loans less than \$150k
 - Certify revenue loss is met w/ loan application, and provide documentation of revenue loss on / before forgiveness is requested

First Draw Loans

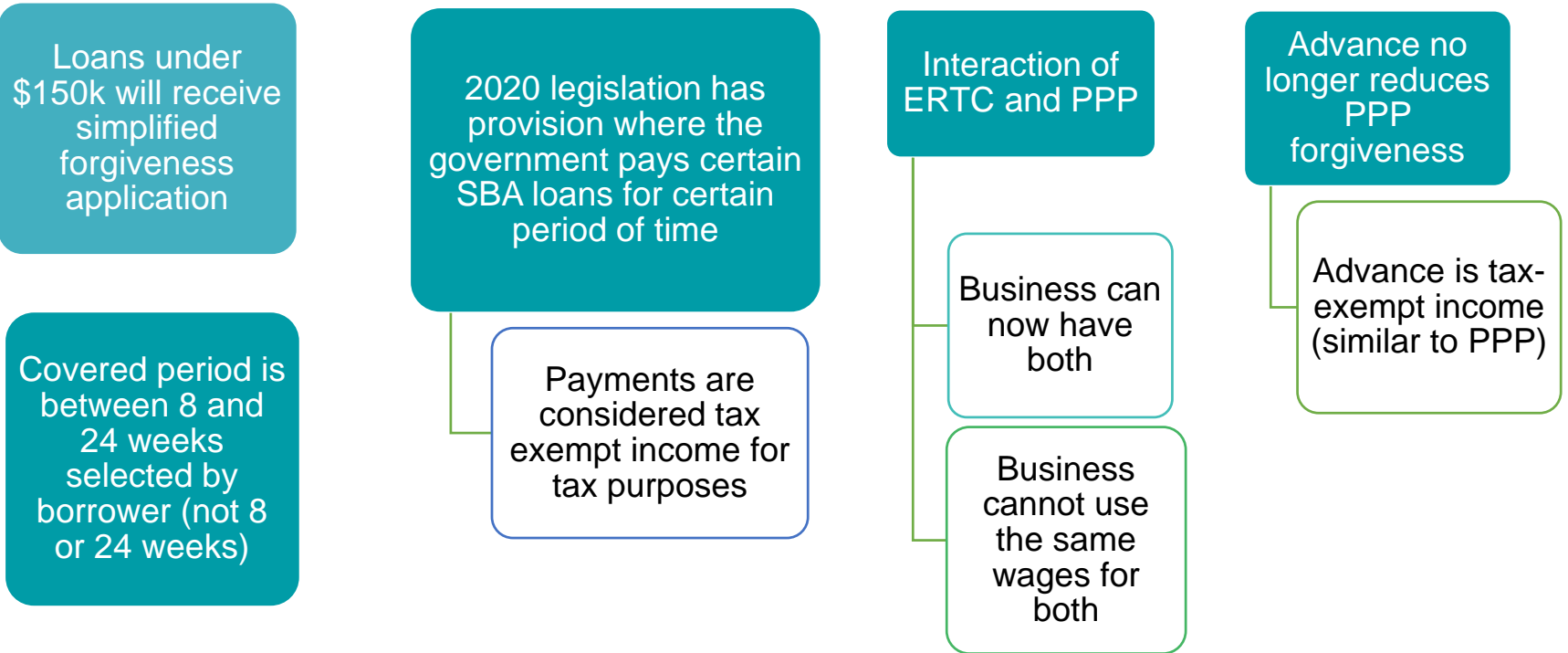
For companies that did not take a loan already

- Maximum loan amount is \$10 million
- Fall under old rules – 500 or fewer employees

If a company returned all or part of original loan, or did not take 100% of original maximum, AND has not yet applied for forgiveness:

- Company can apply for maximum amount or the difference between its maximum and what it received
- Maximum total of \$10 million

Other Stuff to Know



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Employer/Employee Payroll Tax Provisions



Elective Deferral of Employee Social Security Taxes

This new law extends the period for the payment of the qualified employee's deferred share of social security taxes (under President Trump's Executive Order and IRS Notice 2020-65) from April 30, 2021 to December 31, 2021.

Payroll Tax Credits

The new law extends the refundable payroll tax credits for paid sick and emergency medical family leave, which expired December 31, 2020, through the end of March 2021.

Employee Retention Credit

The credit is extended to June 30, 2021

Original Credit

- Fully refundable tax credit for employers equal to 50% of qualified wages
- Eligible Employers
 - Fully or partially suspend operations during any calendar quarter in 2020 due to orders from an appropriate governmental authority
 - Experience a significant decline in gross receipts during the calendar quarter

Employee Retention Credit

Qualified Wages

Paid after March 12, 2020 and before January 1, 2021

>100 employees

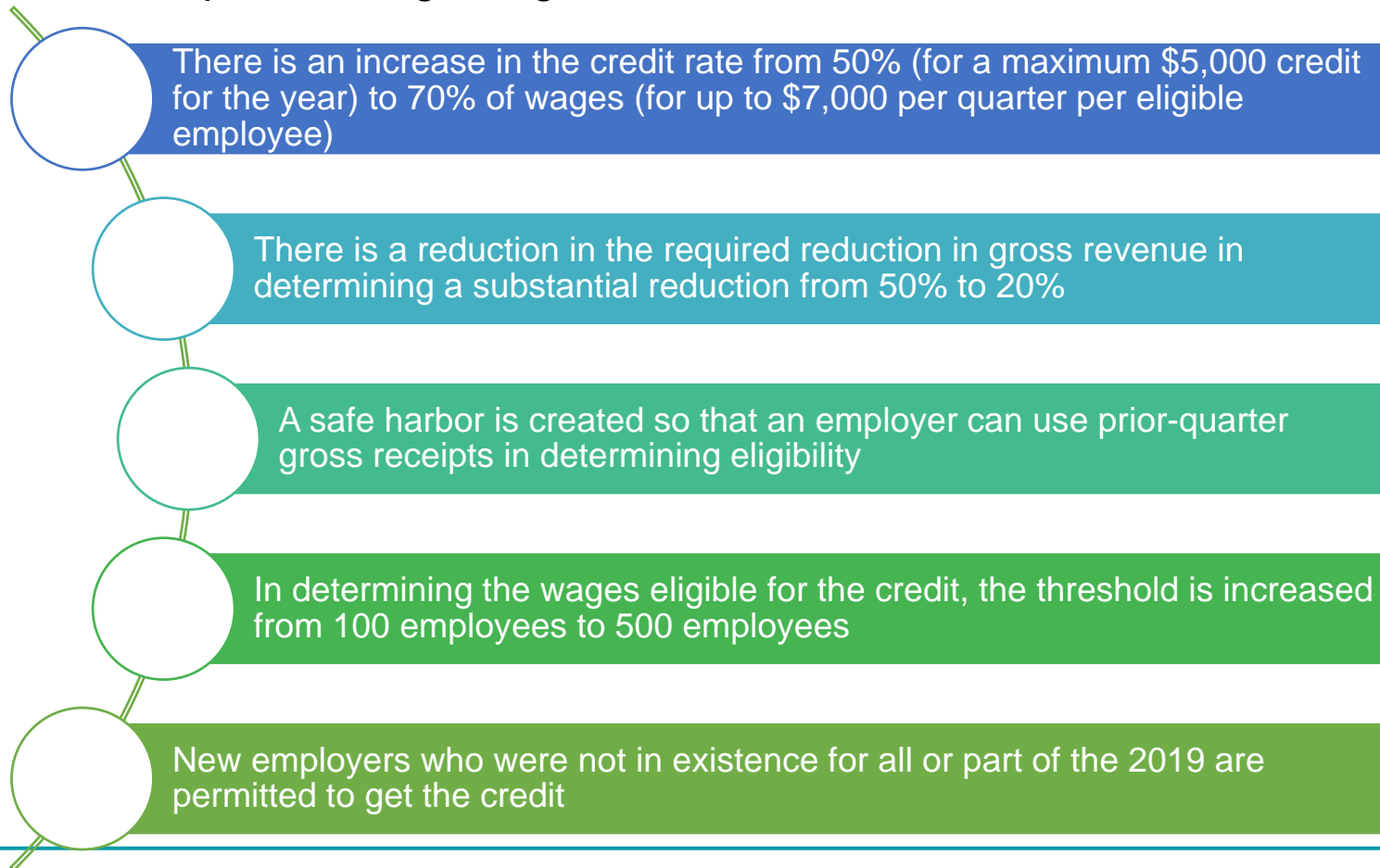
<100 employees

Wages paid to an employee for time that the employee is **not providing services** due to an economic hardship

Wages paid to **any** employee during any period of economic hardship described above

Employee Retention Credit

- The computation of the refundable payroll tax credit is adjusted for calendar quarters beginning after December 31, 2020 so that



Employee Retention Credit

- Certain changes to the employee retention tax credit were made retroactive to the date of the CARES Act.

Employers who received PPP loans (and were not eligible for the credit under the original law) may be able to qualify for the credit with respect to wages that are not paid with forgiven PPP proceeds. The law permits an employer to elect to treat certain amounts paid as not being qualified wages. Fully refundable tax credit for employers equal to 50% of qualified wages

Conforms with the current IRS position that group health plan costs can be included in qualified wages despite the fact that the employee has no other wages (e.g., where the employee has been furloughed).

Since employers may have already filed a return for employment taxes prior to the date of enactment of this law, the law provides that an election can be made (per Treasury guidance to follow) to treat an applicable amount as an amount paid in the calendar quarter which includes the enactment of this Act.

Contact Information



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Thank You!

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