

THREE THINGS PE FIRMS SHOULD KNOW ABOUT THE PAYCHECK PROTECTION PROGRAM

The SBA will begin accepting applications for small businesses on April 3. Three key items for you to be aware of:

SBA Affiliation Rules Apply - The affiliation rules may result in all fund and portfolio companies being combined in determining employee count (<500 employees are eligible for the program), however, businesses in certain industries can have more than 500 employees (including affiliated entities) and still be eligible for the PPP loans. [Review §121.201 on the Electronic Code of Federal Regulations website to see if your portfolio company\(ies\) qualify for increased employee count.](#) Note, any increased employee count provisions are still evaluated against the affiliated group. Lawmakers and certain industry groups are pushing for the affiliation rules to be revised. We will update you as changes arise.

Economic "Uncertainty" Definition Purposefully Broad - The \$349 billion in available funds are not reserved for businesses that have been negatively impacted by COVID19, rather, the funds are available to any businesses that face some level of uncertainty as a result of COVID19. **This general definition will allow many businesses to access the available funds for what could be a once in a lifetime windfall of equity.**

Funding Timing Matters - The loan will only be forgiven to the extent the proceeds were used to pay payroll and benefits, mortgage interest, rent, or utilities for the 8 weeks following receipt of the loan. **In order to maximize loan forgiveness, carefully consider loan timing and upcoming business needs.**

HOW CAN SIKICH HELP?

PPP loan specifics, including loan selection and the process, can be confusing. Parts of these loans are still getting resolved and changes are still occurring as banks are readying their procedures. We recognize that working with your banker is an important step in this process, but we are here to help as well. Our experts are monitoring the available loan programs and can assist with any questions you have.

We also believe that the application process could be administratively burdensome. Whether that is helping to answer questions on the application, or handling parts of the application process such as calculating the loan amount, reporting historical financial information, preparing forecasts, or calculating potential loan forgiveness, we're here to be a resource to you during the application process.

Please [contact us](#) if we can assist in anyway, **WE'RE HERE TO HELP.**