



WOOLSTON CONSULTING GROUP, LLC

Certified Public Accountants and Consultants

January 6, 2021

Dear Client:

On December 28, 2020, President Trump signed the Consolidated Appropriations Act. The act has several provisions including additional stimulus checks (up to \$600 per person and \$500 for dependents), modifications to the initial Payroll Protection Program, a second round of the Payroll Protection Program (PPP2) and Grants for Shuttered Venue Operators.

The modifications to the PPP include:

- The list of eligible expenses has been expanded
- EIDL grant amounts will no longer reduce PPP forgiveness amounts
- Loans less than \$150,000 will be eligible for streamlined forgiveness
- The covered period can be 8 weeks or up to 24 weeks
- Expenses paid for with PPP funds are deductible

The key elements of PPP2 include the following:

- Loans may be up to \$2 million
- Borrower must have 300 or fewer employees
- Businesses that did not apply for PPP1 can apply for PPP2
- Loan amounts are 2.5 times 2019 average monthly payroll or 3.5 times average monthly payroll if NAICS code is "72" (Accommodations and Food Service Sector)

Businesses that did receive PPP1 loans are eligible for PPP2 if:

- PPP1 funds were fully utilized for approved expenses
- Borrower can show a 25% decline in gross revenues in any 2020 quarter compared to the same quarter in 2019

The details for the Grants for Shuttered Venue Operators include:

- Relief to live Venue Operators and promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theater operators and talent representatives ("Venue Operators")
- \$15 billion in grants available
- Grant will have two rounds. The first will cover up to 45% of the Venue Operators' 2019 revenue, up to \$10 million. The second round could be up to 50% of the original grant.
- Venue Operators must have been in business on February 29, 2020
- Venue Operators must show a 25% decline in gross revenue for any quarter in 2020 compared to the same quarter in 2019
- Priority will be given to operators that showed revenue losses of 70-90%
- Funds can be used for expenses incurred between March 1, 2020 and December 31, 2021

Applications for PPP2 and Shuttered Venue Grants are not yet being accepted by the S.B.A. We will advise you when applications can be submitted.

All our best.

Sincerely,

Woolston Consulting Group, LLC

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