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COVID-19 Roundtable

Strategies for Working with Clients Remotely

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- Education
- Coaching
- Community
- Resources

Joe Woodard

- Published author McGraw Hill, *Accounting Today, CPA Practice Advisor, AccountingWEB, The Journal of Accountancy and Insightful Accountant.*

- Career Trainer to over 125,000 accounting professionals

- 2012, 2014 – 2019 – Top 100 Most Influential People by *Accounting Today*

Liscio

- Client Experience Platform
- Communication
- Document management
- eSignatures

Chris Farrell

- CEO of Liscio
- Former CEO of Tallie, SpringAhead, Nexonia.
- 12+ years of managing remote teams

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Agenda:

- PPP Updates
- Best Practices: Working Remotely with Clients
- Best Practices: Working Remotely with Your Teammates

PPP Updates

Are there definitive answers on PPP yet?

- Through April 7, 2020 there have been numerous updates regarding the PPP program.

- Little guidance was given by Congress to the SBA on administering these programs and the SBA is continuing to work with multiple parties on administrative processes and terms of the PPP agreement.

- The information presented here reflect the most recent information, to the best of our knowledge, as of April 7, 2020.
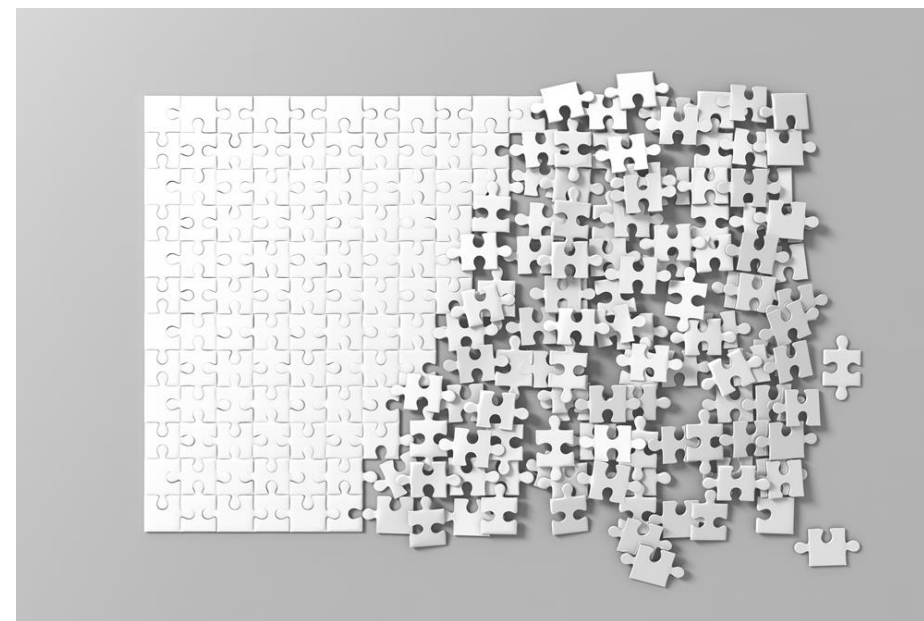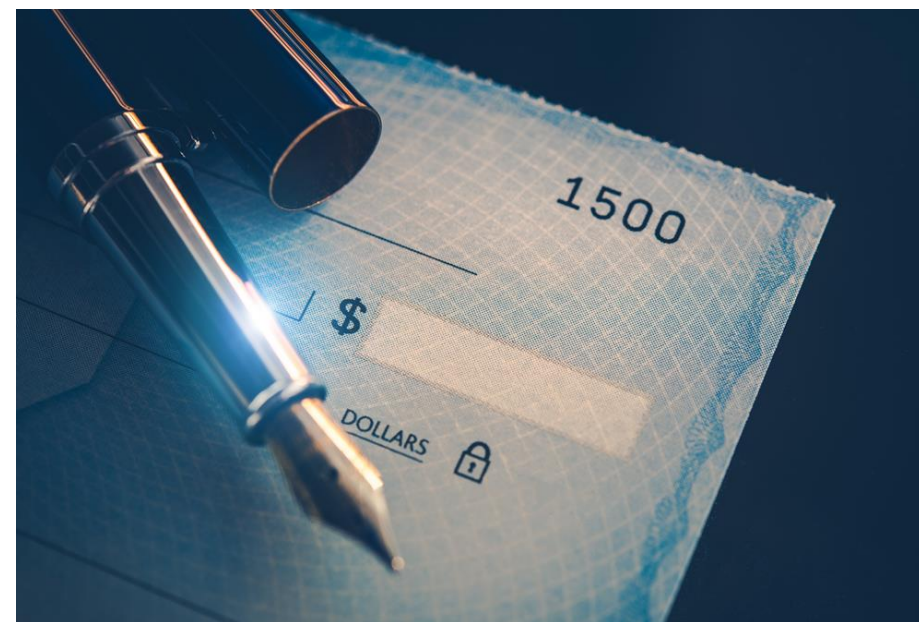
The Paycheck Protection Program (PPP)

Businesses with fewer than 500 employees — including sole proprietors, independent contractors, and nonprofits— will have access to nearly $350 billion in loans under Section 7 of the Small Business Act during the "covered period," which runs from February 15, 2020 through June 30, 2020.

Generally limited to the LESSER OF:

- The sum of 1) average monthly "payroll costs" for the 1 year period ending on the date the loan was made (an alternative calculation is available for seasonal employers) multiplied by 2.5, and 2) ~~any disaster loan taken out after January 31, 2020 that has been refinanced into a paycheck protection loan~~, the outstanding amount of any Economic Injury Disaster Loan (EIDL) received by the prospective borrower between Jan. 31 and April 3, less the amount of any advance (up to $10,000) under an EIDL (because such advance does not have to be repaid, even if the EIDL application is not accepted)

- $10 million

Last Updated April 7, 2020

The Paycheck Protection Program

Payroll costs to compute the amount of the PPP loan are the sum of the following:

- Wages, commissions, salary, or similar compensation to an employee ~~or independent contractor,~~

- Payment of a cash tip or equivalent,

- Payment for vacation, parental, family, medical or sick leave,

- Allowance for dismissal or separation,

- Payment for group health care benefits, including premiums,

- Payment of any retirement benefits, and

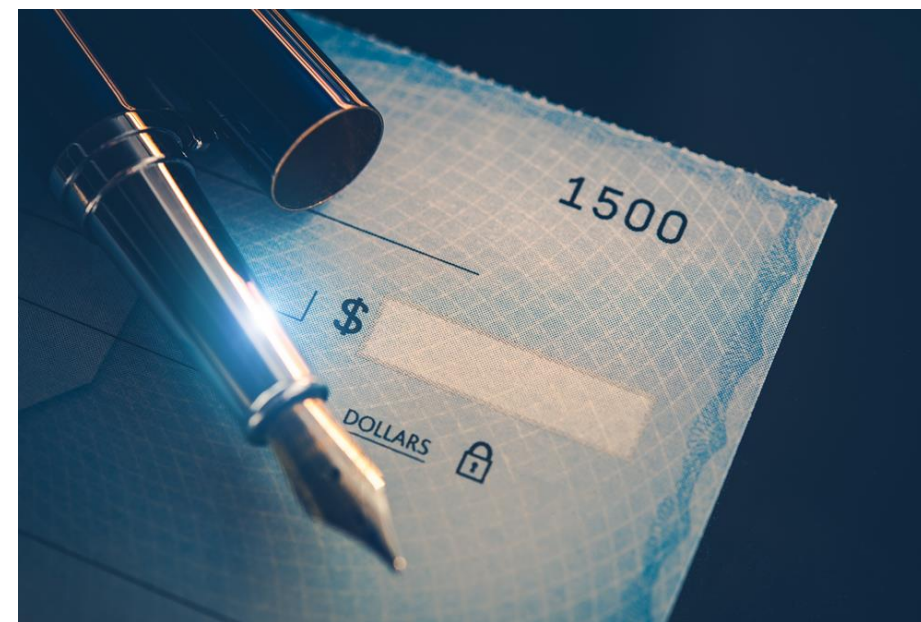- Payment of state or local tax assessed on the compensation of employees.

Note: Original guidance included independent contractors. Subsequent guidance eliminated them.

Last Updated April 7, 2020

The Paycheck Protection Program

Payroll costs do not include, however:

- The compensation of any individual employee in excess of an annual salary of $100,000,

- ~~Payroll Taxes~~

- Any compensation of an employee whose principal place of residence is outside the U.S., or

- Any qualified sick leave or family medical leave for which a credit is allowed under the new Coronavirus Relief Act passed last week.
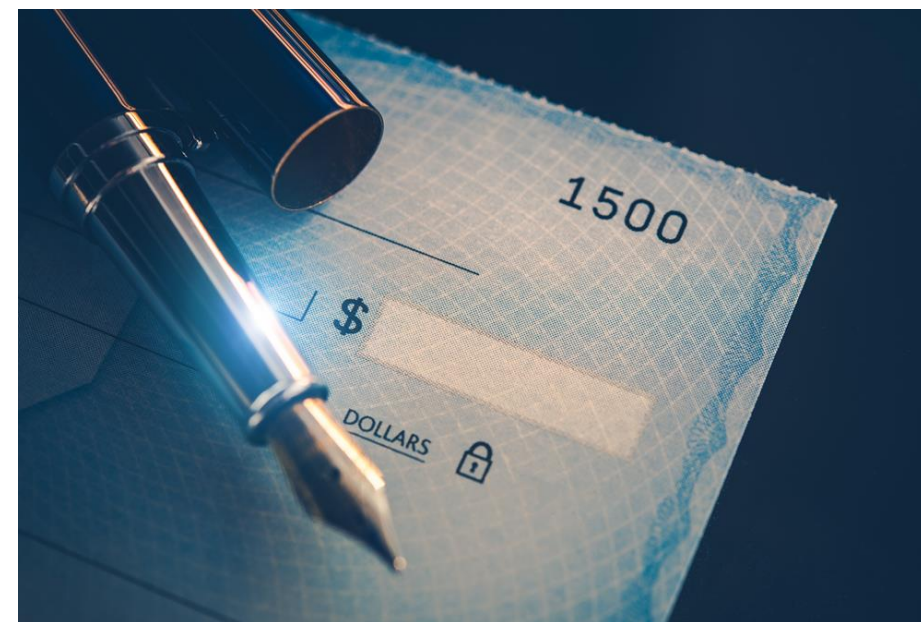
Note: Original guidance exclude all payroll taxes from the calculation. New guidance provided on April 6 from the Treasury Department clarified the guidance to include the employee portion of payroll taxes. The empower portion is still excluded from the calculation.

Last Updated April 7, 2020

The Paycheck Protection Program

Example. Joe's Car Wash applies for a paycheck protection loan on May 1, 2020. The business had $1.2 million in payroll costs for the period May 1, 2019 through May 1, 2020, for a monthly average of $100,000. Joe's Car Wash is entitled to a fully guaranteed federal loan —assuming it's made before December 31, 2020 — equal to the LESSER OF:

- $250,0000 ($100,000 in average payroll costs * 2.5), or

- $10 million.

The Paycheck Protection Program

- Maximum maturity of ~~10 years~~ two years

- Interest rate fixed at 1%

- Proceeds may be used to cover:

  - Payroll

  - Rent

  - Utilities

  - Any other debt service requirements
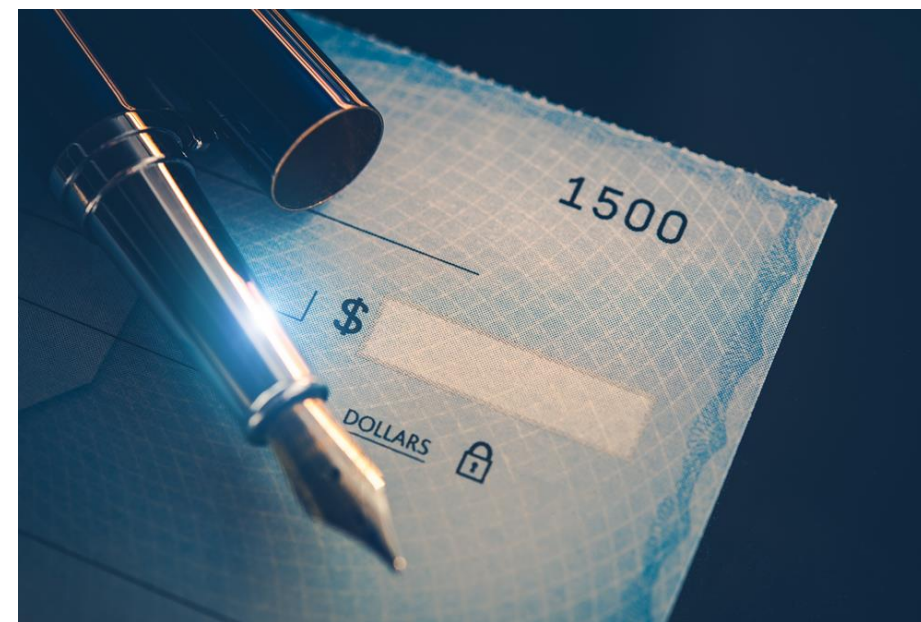
Note: (1) Original guidance place the maturity of 10 years; however the SBA and Treasury Department determine that a two-year loan term is sufficient. (2) Original guidance capped the rate 4% and some sources stated a .5% fixed rate. The most guidance provide by the SBA, as confirmed by Bank of America, sets the fixed rate at 1%.

Last Updated April 7, 2020

The Paycheck Protection Program

- Standard fees imposed under Section 7 of the Small Business Act are waived

- No personal guarantee is required by the business owner

- Possible deferment of repayment of the loans for a period of at least six months~~, but not to exceed a year~~
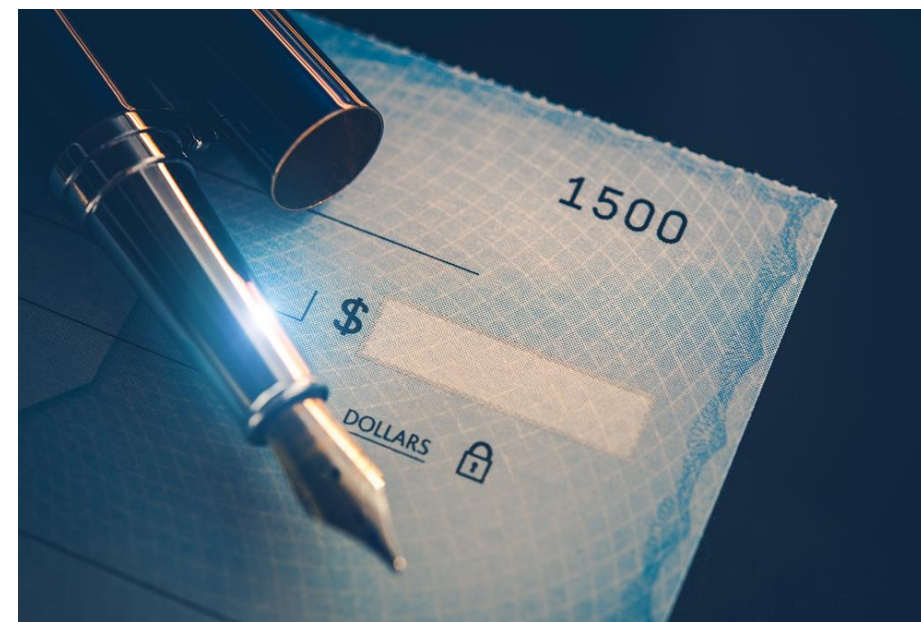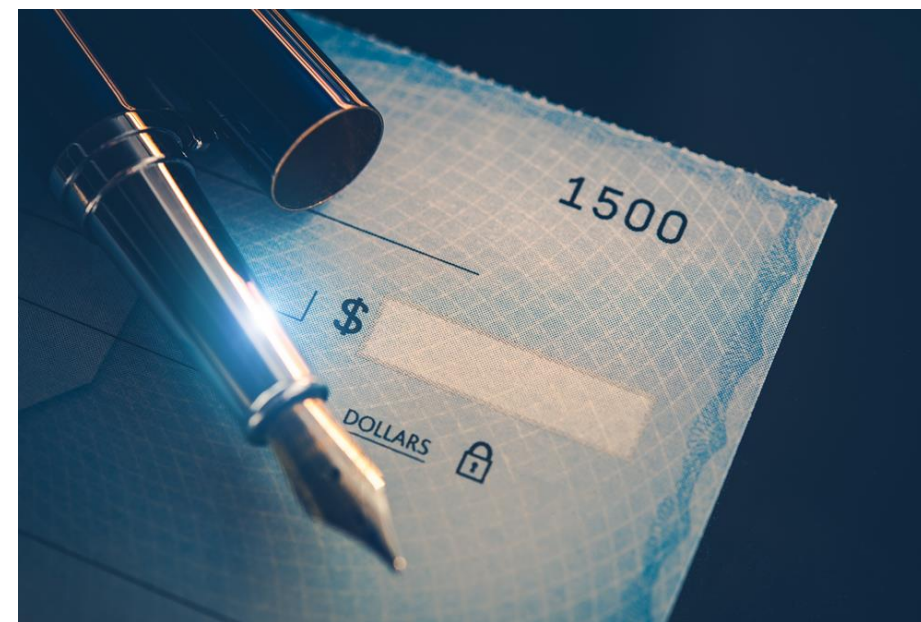
Note: Per the final rule by the SBA, the CARES act permits the SBA to defer payments for up to one year, but the SBA decided to extend to no more than 6 months given the forgivable nature of the loan and the 1% interest rate.

Last Updated April 7, 2020

The Paycheck Protection Program

- Program opened April 3, 2020

- To apply, small business owners will be able to go to:

  - Existing Small Business Administration lenders

  - Banks, credit unions, and

  - Financial technology lenders

Woodard advises you to work with your client's bank where the client holds one or more checking accounts. Some banks do not accept applications from non-account holders. Other banks that accept applications from non-account holders may prioritize the applications from their existing customers.

Last Updated April 7, 2020

The Paycheck Protection Program

Difficulty in accessing lenders

- Some lenders haven't started taking applications yet
- Some banks that were taking applications have already stopped taking applications
- Many (if not most) are only lending to their current clients

Hang in there

- Many lenders will begin taking applications soon; they waiting for guidance to become clearer & were building infrastructure.
- Some lenders who stopped taking applications are doing so to slow the influx of applications. They may start taking applications again.

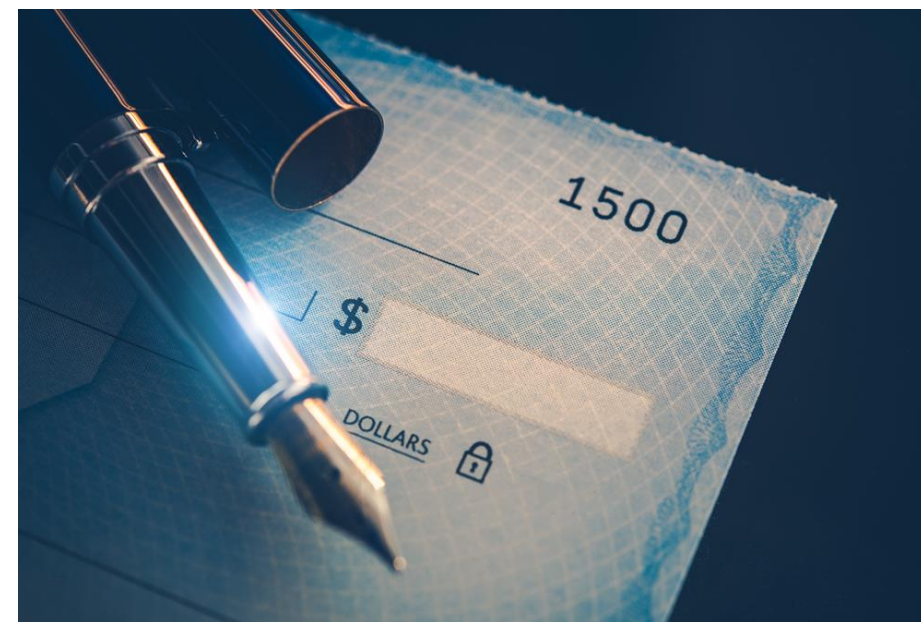**SBA lenders can't take applications yet (only banks)**

- Be aware of communications from them for the purpose of lead generation.

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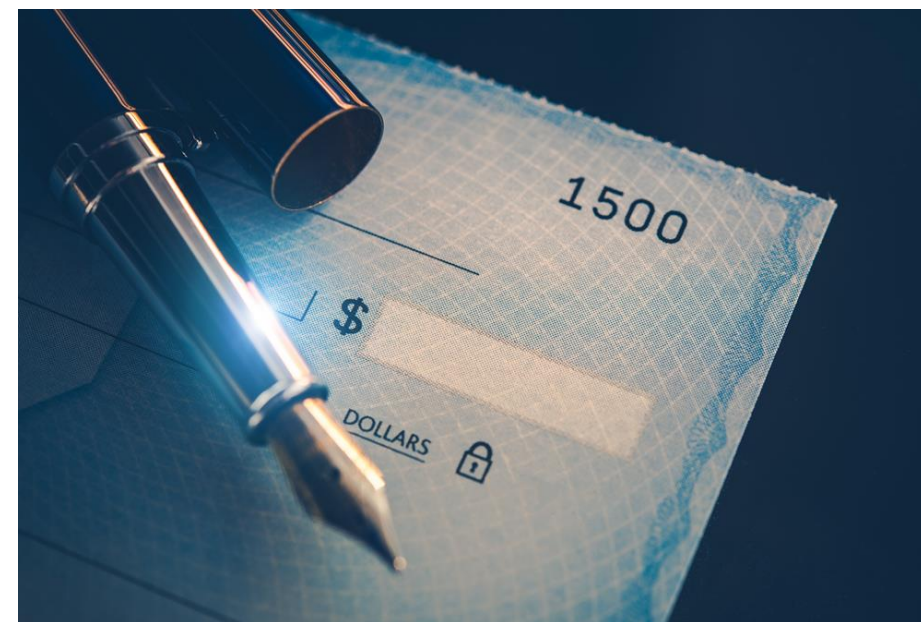
The Paycheck Protection Program

Note: If a business has previously taken out an Emergency Injury Disaster Loan (EIDL), it can be refinanced with a Paycheck Protection Program Loan

- Businesses are able to receive both a Paycheck Protection Loan *and* an Emergency Injury Disaster Loan depending on the purpose of the EIDL. The loans must be used for separate purposes.

- Businesses cannot receive multiple Paycheck Protection Loans

Note: A borrower that receives an EIDL from Jan. 31 to April 3 may still apply for a PPP loan. If the EIDL is not used for payroll costs, it does not affect a borrower's eligibility for a PPP loan. If an EIDL is used for payroll costs, a borrower must use the PPP loan to refinance the EIDL. However, for purposes of determining the percentage of loan proceeds used for payroll costs, the amount of a refinanced EIDL will be included in the 75 percent of the loan proceeds that must be used for payroll costs.

Last Updated April 7, 2020

The Paycheck Protection Program

Checklist of items that may be needed to apply:

- Documents proving entity type (articles of organization, by laws, etc.)

- Proof of existence (i.e. 2019 tax return) as of March 1, 2020

- Payroll summary reports & Detail by Employee & details of vacation, severance, health benefits, retirement benefits, etc.

- 2019 and 2020 Q1 940s & 941s

- 2019 W-3

- 2019 W-2 for anyone earning over 100,000 or for out of country residents

- Voided Check

- Owner's/Applicant's Driver's License

- Mortgage statements or Lease Agreements and proof of payment

- Utility bills

Last Updated April 7, 2020

Loan Forgiveness of The Paycheck Protection Program

- A separate section of the CARES Act call for a portion of the paycheck protection loans to be forgiven on a tax-free basis.

- The amount to be forgiven is the sum of the following payments made by the borrower during the 8-week period beginning on the date of the loan:

  - Payroll costs

  - Mortgage interest,

  - Rent,

  - Certain utility payments
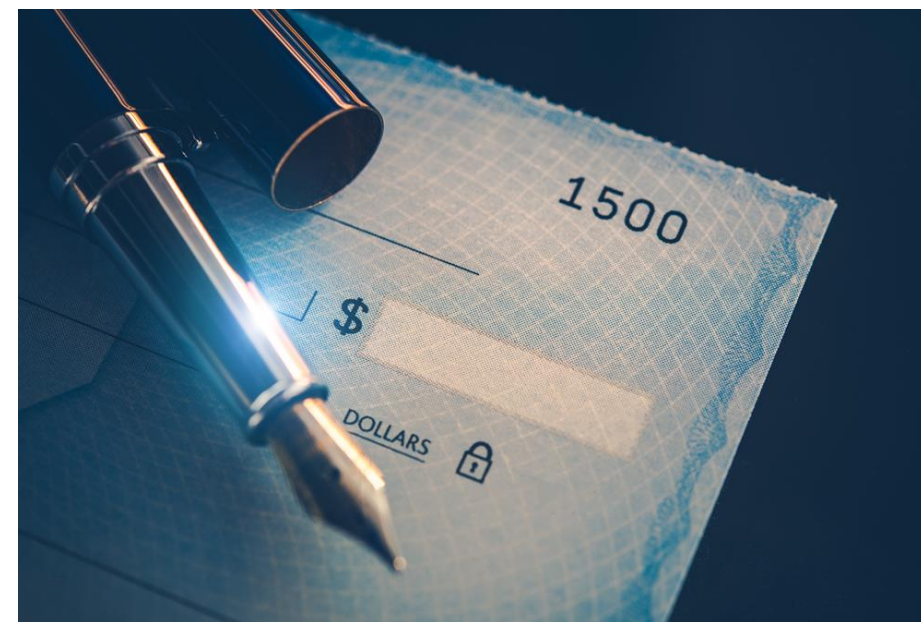
Loan Forgiveness of The Paycheck Protection Program

To Apply for Loan Forgiveness

- Borrower must apply to the lender that includes:

    - Documentation verifying the number of employees and pay rates

    - Cancelled checks showing mortgage, rent, or utility payments

- Lender will make decision on loan forgiveness within 60 days

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# Loan Forgiveness of The Paycheck Protection Program

Example

Continuing the previous example with Joe's Car Wash, in the first 8 weeks after the business borrows the $250,000, the business pays $200,000 in payroll costs, mortgage interest, and utility payments. Joe's Car Wash is eligible to have $200,000 of the $250,000 loan forgiven. The forgiveness will not create taxable income. In addition, because of the deferment rules in the CARES Act, any payments due on the remaining $50,000 will not be due for six months.

Loan Forgiveness of The Paycheck Protection Program

- There is a provision, however, that reduces the amount that may be forgiven if the employer either:

  - Reduces its workforce during the 8-week covered period when compared to other periods in either 2019 or 2020, or

  - Reduces the salary or wages paid to an employee who had earned less than $100,000 in annualized salary by more than 25% during the covered period.

- This reduction can be avoided, however, if the employer rehires or increases the employee's pay within an allotted time period.

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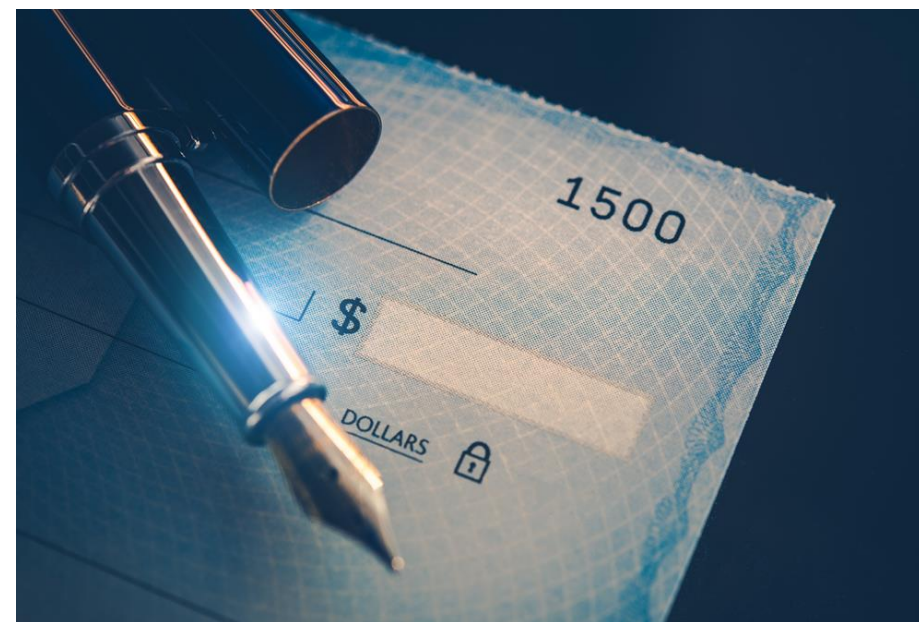
Working Remotely with Clients

Be Proactive in Your Communications

- We could all use a reassuring hand

- Set a goal to meaningfully connect with each client

- Ask if they need assistance with liquidity, navigating the new loan and grant programs, etc.

Tip: Build relationships during this time. Ask about how they are holding up during the crisis and, when appropriate, about any struggles they are enduring personally and domestically.

Stay in Touch

- Set a cadence and a system for keeping in touch
- The system can be as simple as a recurring calendar invitation and as complex as CRM tasks & reports

New reach out dates

Lower the Hurdle for Remote Collaboration

- Fewer logins

- Easy-to-use systems

- Light Learning Curve

- Mobile-First/Mobile-Optimized

- Quickly Accessible

- Safe, Secure and Private

- Consolidated When Possible (e.g. files, signature and collaborate in a single space)

Scanning Tool Example (Option 2 of 2)
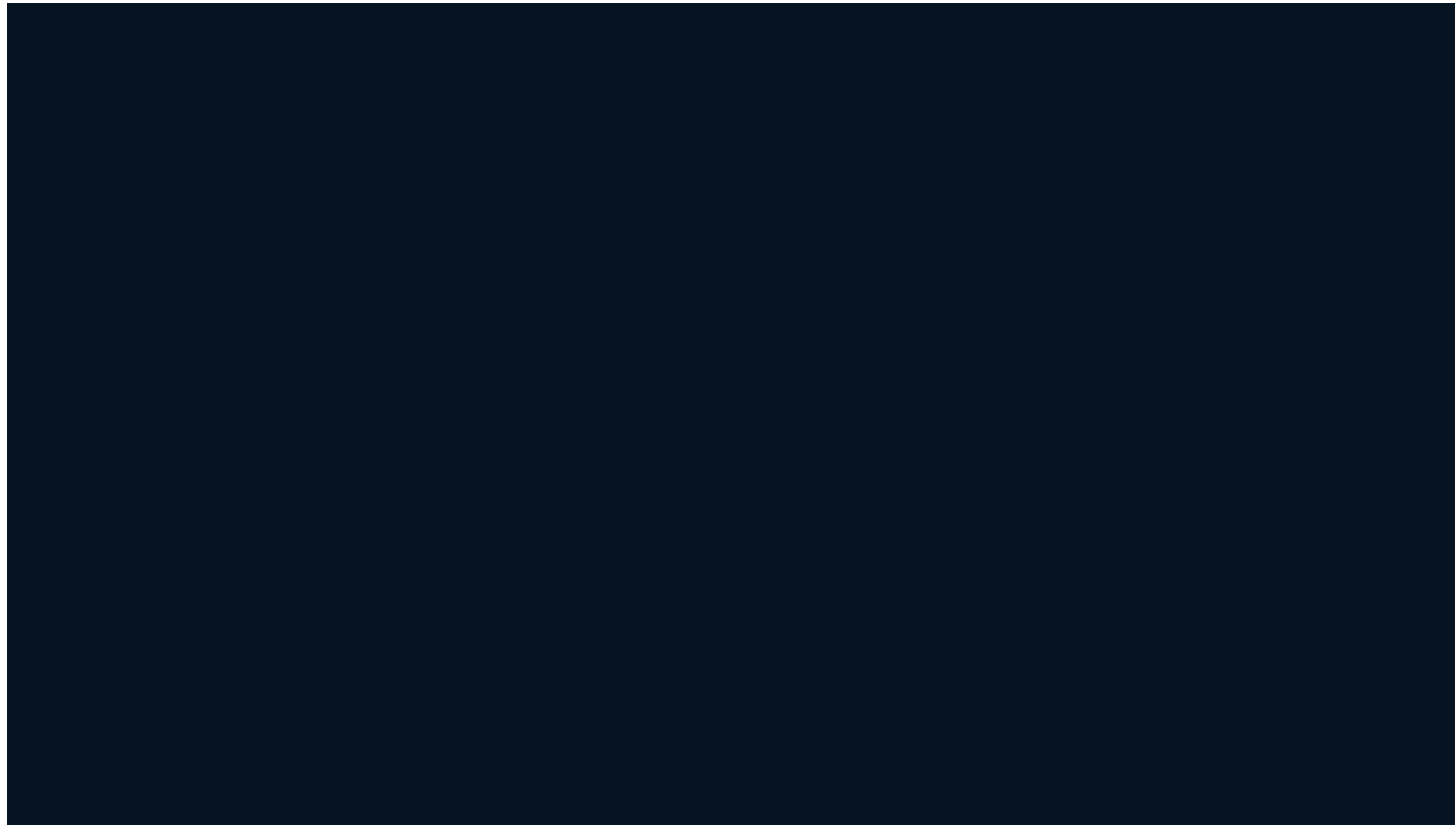
Create an audit trail for your service:

Record all online meetings and calls

- Recording features are built into Zoom, Ring Central, etc.

- Third party solutions that integrate with Zoom, GotoMeeting and Ring Central are available in their respective app centers

- If a client isn't happy, you will be able to rewind the tape

Tip: Some VOIP services and meeting solutions may integrate with your firm's CRM solution. If so, make the connection for tight documentation.

For Example…

Summary

- Keep in touch

- Make things easy for your clients

- Create an audit trail

Design your systems thoughtfully – applying band-aid solutions results in runaway software costs and complexity

Working Remotely with Your Teammates

Teams Need To:

- Stay connected with teammates

- Create transparency by busting silos

- Use web cams for internal calls as much as possible

- Collaborate across multiple platforms and systems

- Streamline documentation through automation and integration whenever possible

Internal messaging apps (Slack, Teams, etc.)

Great for:

- Staying in touch

- Having fun

- Asking quick questions

Not as good for:

- Long-term storage / discovery

- Client communication
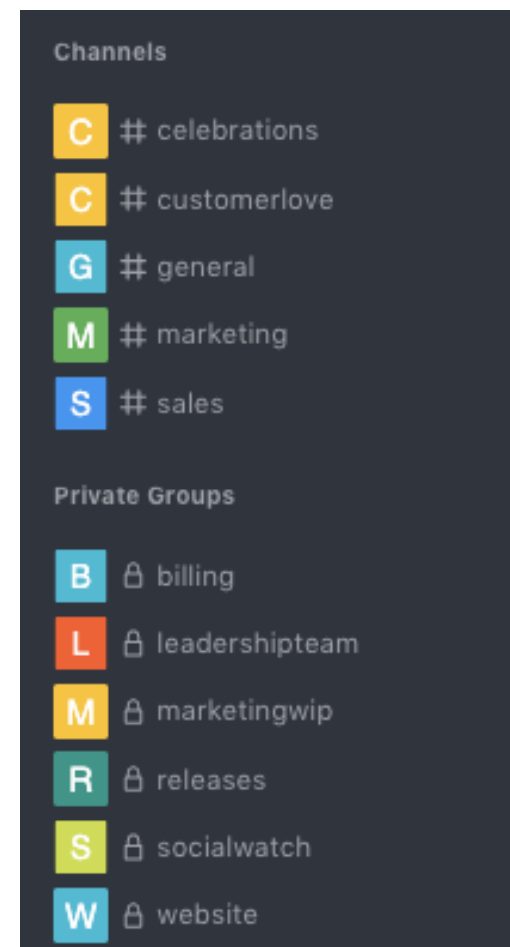
Teams Need To Bust Information Silos:

Stay on top of inbound client requests

- Helpdesk, Client Experience Platform or Shared Email Account

- Don't let client requests get lost or buried in an individual's email account

Avoid texting clients from personal phones

- Use a VOIP system or Client Experience Platform

- Now is a good time to retrain customers

Use tools for shared notes

- CRM, Client Experience Platform, Spreadsheet or Doc

Keeping Remote Teams Productive:

- Use SMART Goals to Keep Work Flowing
  - Specific, Measurable, Achievable, Relevant, Time-Bound
  - All goals documented and clearly communicated
  - Short daily "stand-up" meetings to discuss blockers, gating items, etc.
    - Short, efficient meetings
    - Leader of the meeting manages the agenda
    - Stay focused on goals and deadlines
- Reserve at least 1 hour per week for 1:1 meetings with each report

How Do You Motivate Your Team ?

Best Practices for Using Zoom

- Use the waiting room

- Point the camera in a direction not trafficked by your family

- Create a background that is appealing, professional and in keeping with your personal brand.

- Connect your login to your phone call if calling into the meeting by entering #[participant ID]#

- Place your camera at forehead height directly in front of you and face the camera during the entire meeting

- Turn off your self view if it makes you self conscious

- Don't use HD for your web cam. Burns up bandwidth and may cause a flicker effect

- Don't permit attendees to share screens globally (approve as needed)

- Don't permit attendees to share web cams globally (approve one at time)

- Use a different zoom meeting link for every meeting (use Calendly or another appointments app to spin up the meetings automatically and use the Outlook/Google integrations

Bonus Tip: Place a clock on the wall behind you to better keep track of the time during your meetings.

Best Practice – Electronic Signature

- New E-Signature Allowances by IRS (See the link on the COVID-19 Advisor Resource page at www.woodard.com)

- Recommended solutions include:
  - Liscio
  - HelloSign
  - DocuSign
  - Citrix, etc.

- Document capture and imaging options
  - Scanner offer by Canon
  - Phone options with MS One Note, MS Lens and Liscio

What Woodard is Doing

- Sennheiser Office Runner Headset
    - Phones and Computers/USB
    - 300 Foot Range
    - 8-10 Hour Battery Life
    - Click to Answer for Most Meeting Solutions and VOIP Programs
- Zoom for Meetings (GotoMeeting also Recommended)
- Aircall for Telephony (integrated with Otter.ai for transcriptions)
- Morning Team Meetings
- Afternoon Teams Conversation about What We Accomplished

What Woodard is Doing

- HubSpot for Team Task and Project Collaboration and Alignment (Any task solution of your choice works here.)
- Office 365 (via Teams)
    - File Collaboration/Storage (Google Drive, Box, Dropbox, etc. also recommended)
    - Online, Joint Editing of Word, Excel and PowerPoint files (Google Suite also recommended)
    - One on One Chatting (Slack also Recommended)
    - Intra-Company Phone and Video Calls (Skype for Business also recommended)
    - Shared Notes (Evernote also Recommended)
    - Team Conversations (Slack also Recommended)
    - Microsoft Whiteboard

Questions

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