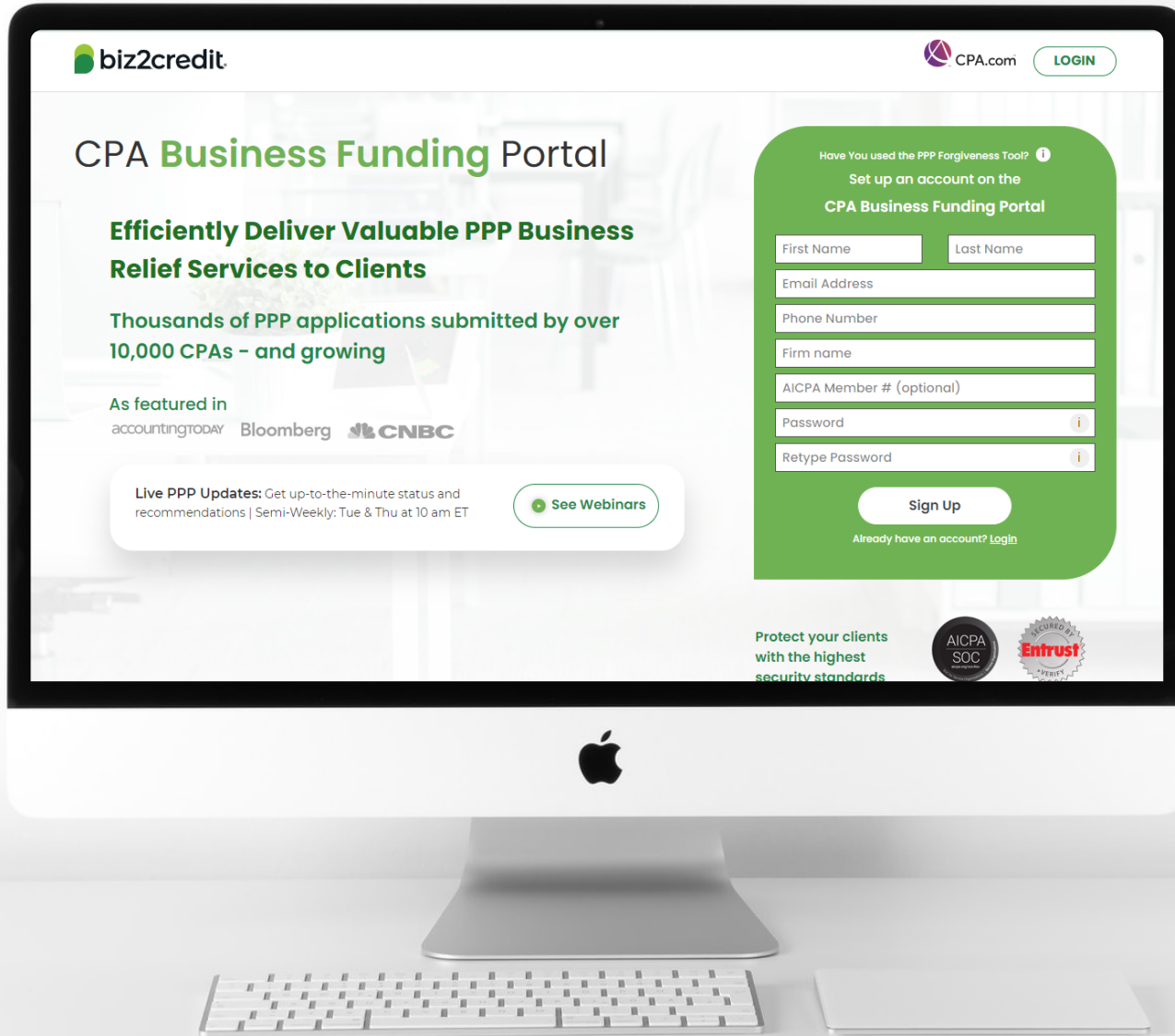




CPA **Business Funding** Portal

Live PPP Service Updates

March 11, 2021



Operational Updates from the CPA Business Funding Portal Team

Updates to Your Experience

✓ New 2483 Forms (3.3 version)

Featured

✓ Error code messages on View Application page

✓ Sort dashboard by applications

✓ Updates to PPP forgiveness

✓ PCPS Pro Tips in PPP application process

✓ Add ACH details for clients (Paid subscribers)

✓ Status sync with client dashboard enhancements

✓ Resource hub now available

✓ New client dashboard views

✓ Updated status descriptions

✓ Loan amount & E-Tran on View Application page

Featured

✓ Schedule C Gross Income application workflow

Self-Service Error Codes Expanded

21 Error Codes Added

E00196	E0030
E0025	E0035
E0036	E0095
E0430	E0023
E0024	E0020
E02743	E0038
E0034	E0096
E0431	E0430
E0003	E0004
E0087	E0059
E01040	

Biz2Credit Steps to Error Resolution

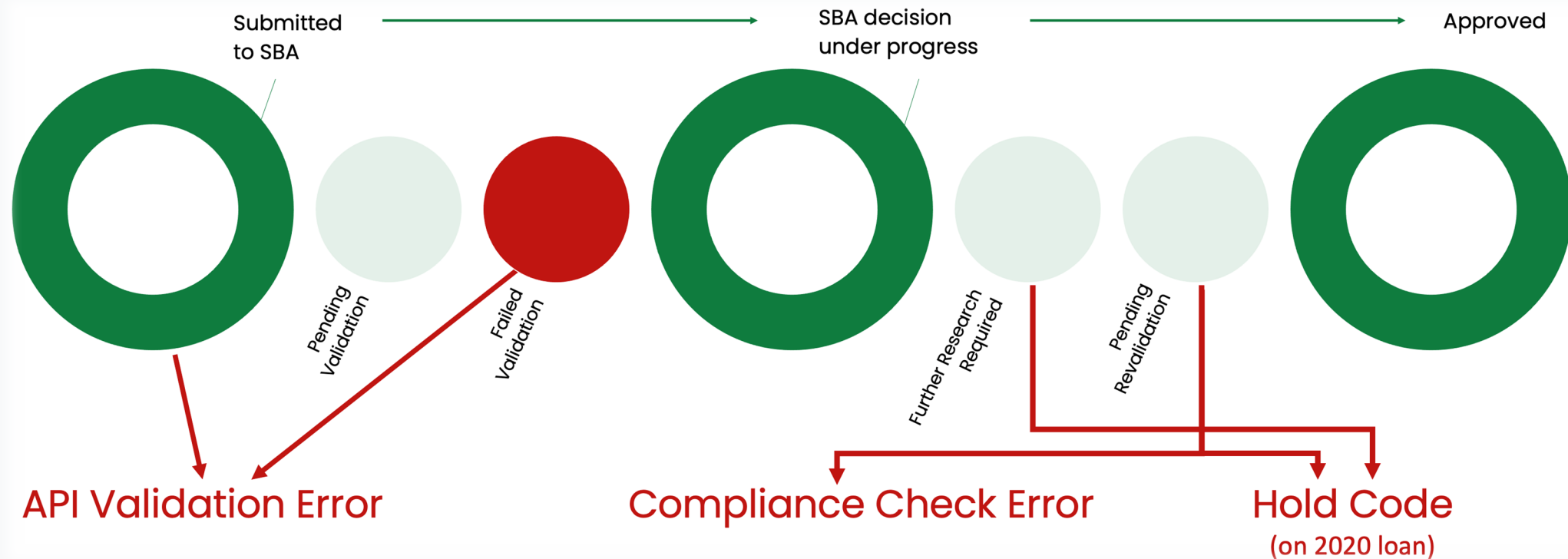
1. Identify error;
2. Prioritize based on frequency;
3. Update application and resubmit (automatic);
4. Identify errors available for client resolution;
5. Surface application update to clients.

Types of SBA Error Codes

	API Validation Error	Compliance Check Error	Hold Code
PHASE OF SUBMISSION PROCESS	Initial Submission (during submit)	After SBA Initial Verification (2021 Loan Application)	During SBA Review (2020 Loan Application)
COMMON ERROR CODE EXAMPLE	Error 0020: <small>detail: You are likely seeing this message because your first PPP Loan was booked under an SSN or EIN Type that is not the same as the loan you are now attempting to enter. These values must match for your submission to move forward. Please follow the correction instructions on the (platform) resources section entitled: Tax ID Changes in ETRAN. Error: E0020</small>	Code 507 <small>7: Mismatch of TIN (EIN/SSN) - Tax ID of Borrower or Principal, as entered in ETRAN, appears to be inaccurate</small>	Code 7 <small>7: Mismatch of TIN (EIN/SSN) - Tax ID of Borrower or Principal, as entered in ETRAN, appears to be inaccurate</small>
RESOLUTION IN SBA PROTOCOL	?	Table 1: Lender Certification Table 2: SBA Resolution	Table 1: Lender Certification Table 2: SBA Resolution
IN SBA PROCEDURAL NOTICE	NO	Yes	Yes

Understand Error Code Phases

There are multiple phases of SBA validation, compliance checks and decision logic. Three types of error codes can be reported during these different phases. Understanding when an error code is occurring is the first key to understanding what action can be taken to resolve.



RELEASED ON MARCH 3



U.S. Small Business
Administration

Newly released IFR (issued on 3.3)

SMALL BUSINESS ADMINISTRATION

13 CFR Part 120

[Docket Number SBA-2021-0010]

RIN 3245-AH67

**Business Loan Program Temporary Changes; Paycheck Protection Program –
Revisions to Loan Amount Calculation and Eligibility**

AGENCY: U.S. Small Business Administration.

ACTION: Interim final rule.

SUMMARY: This interim final rule implements changes related to loans made under the Paycheck Protection Program (PPP), which was originally established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID-19). On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) was enacted, extending the authority to make PPP loans through March 31, 2021, revising certain PPP requirements, and permitting second draw PPP loans. This interim final rule allows individuals who file an IRS Form 1040, Schedule C to calculate their maximum loan amount using gross income, removes the eligibility restriction that prevents businesses with owners who have non-financial fraud felony convictions in the last year from obtaining PPP loans, and removes the eligibility restriction that prevents businesses with owners who are delinquent or in default on their Federal student loans from obtaining PPP loans.

**WATCH WEBINAR
FROM MARCH 4
FOR DEEP DIVE ON
NEW SBA IFR**

RELEASED ON MARCH 3

New Rules for Sole Proprietors

SBA has released new rules for gross income that apply to eligibility calculations for Schedule C filers.


IFR: Paycheck Protection Program – Revisions to Loan Amount Calculation and Eligibility published March 3.

Important Note: Only loans that the SBA accepts going forward from March 3rd will be eligible for the increased amount. Any loans made prior to that point in time must follow the previous rules.

Loan Capping: Most Schedule C filers remain capped at a maximum loan amount of \$20,833, but those in NAICS 72 will benefit from an increased eligibility amount on their 2nd Draw loans receiving up to \$29,165.

Safe Harbor: If \$150,000 in gross income on Schedule C the borrower will not automatically be qualified for the good faith safe harbor condition, and the borrower may be subject to a review by SBA of its certification.

A new 2483-C for sole proprietors is now released

 **Paycheck Protection Program**
Borrower Application Form for Schedule C Filers Using Gross Income
March 3, 2021

OMB Control No.: 3245-0407
Expiration Date: 9/30/2021

AN APPLICANT MAY USE THIS FORM ONLY IF THE APPLICANT FILES AN IRS FORM 1040, SCHEDULE C, AND USES GROSS INCOME TO CALCULATE PPF LOAN AMOUNT

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name	NAICS Code	Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN, ITIN)	Business Phone
	Primary Contact	Email Address
Total Amount of Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income <input type="checkbox"/> 2019 <input type="checkbox"/> 2020	Number of Employees (including owners):

If you do not have any employees (other than owners), complete this table:

A. Your gross income amount from 2019 or 2020 IRS Form 1040, Schedule C, line 7:	\$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$
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If you have employees (other than owners), complete this table:

A. Your 2019 or 2020 IRS Form 1040, Schedule C, line 7 amount, minus the sum of line 14, line 19, and line 26:	\$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$	C. Average Monthly Payroll for Employees (not including owners)	\$
Add B and C:	\$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$		

Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs (including proprietor expenses, equal to business expenses plus owner compensation)	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):

Applicant Ownership
List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address

SBA Form 2483-C (3/21) 1

New: Gross Income for Sole Proprietors

IMPORTANT NOTE: Schedule C rule changes are only applicable for loans submitted from the date of implementation onwards and will not apply retroactively to applications already submitted via the Portal (or by clients directly). Modifications must involve a full withdrawal and subsequent submission of a brand-new loan application to meet the new rules and to leverage the new forms. **Expected Processing Time: 2-3 weeks.**

Optional Use Of Gross Income For Sole Proprietors

- Now use either line 7, gross income, or line 31 net income to complete the PPP application.
- Access this choice by completing the eligibility questions as usual.
- Use of gross income can only be used current and future applications and is not retroactive.

Select gross income here

Dashboard Manage Users

CPA.com and Biz2Credit have partnered to provide access to business financing solutions for CPA firms and their clients.

Loan Eligibility

We need a little more information so we can use the right eligibility checks for your client's business. Answering these questions as accurately as possible assists in using the correct application to streamline the application process.

Was your client's business in operation on February 15, 2020? ☐ Yes ☐ No

Was your client's business in operation between February 15, 2019 and June 30, 2019? ☐ Yes ☐ No

Is your client's business a seasonal employer? ☐ Yes ☐ No

Does your client's business employ people besides the owners? ☐ Yes ☐ No

Is your business a Destination Marketing Organization (DMO)? ☐ Yes ☐ No

Is your client's business publicly traded? ☐ Yes ☐ No

Special Conditions (Optional) you can only select one option

☐ This business files Schedule C and will use gross income instead of net profit?

☐ This business files Schedule F and is a farm or ranch according to the Economic Aid Act?

Application Progress

- Eligibility
- About borrower's business
- Ownership
- Application Overview
- Upload documents

AICPA PCPS Pro Tip

The AICPA's Private Companies Practice Section (PCPS) offers valuable insights on key areas of the Paycheck Protection Program (PPP) and the loan forgiveness application by using the latest guidance from the Treasury and Small Business Administration (SBA). Learn more about PCPS at aicpa.org/pcps.

Summary and Key Takeaways

SBA Announcements

SBA updated rules are fully implemented in the CPA Business Funding Portal and now available for all users.

Applications for businesses with **20+ employees** have resumed on March 10.

Continue to watch for additional SBA updates.

New Features

Look for the ability to **add ACH details** on new PPP applications your firm is submitting

Check your firm's application **funnel report** for a picture of the processing status for your firm

Clients can now resolve many common **validation errors** by logging into their dashboard

Tips & Best Practices

Watch the recap videos available on CPA.com

[CPA.com/PPPresources](https://cpa.com/PPPresources)

Join us on Tuesday at 10am ET