

COLUMN

Advice for seeking loan forgiveness from the PPP

Businesses that received Paycheck Protection Program funds are no doubt aware that all or a portion of the loan is forgivable if funds are used according to program requirements.



GREG SMITH
UEC BUSINESS RESOURCE CENTER

The following information comes from a webinar hosted by a Small Business Administration lending specialist. Borrowers should always check with their lender or CPA for specific answers pertaining to their individual situation.

Borrowers will submit an application for forgiveness to their lender. The Paycheck Protection Flexibility Act extended the amount of time for submis-

sion from eight weeks after the date you received the proceeds to 24 weeks. There are two different applications— form 3508 and form 3508 EZ. The EZ form is shorter, but not all businesses qualify to use this.

You are eligible for the EZ form if you:

- are a self-employed borrower with no employees and did not include any salaries in the calculation of your monthly payroll when determining your eligible loan amount.
- didn't reduce wages by more than 25% and didn't reduce the number of employees or average paid hours of employees.
- weren't able to rehire/hire similarly qualified employees.
- didn't reduce wages by more than 25% and were unable to

operate at the same level of activity due to government restrictions.

The lender will review the application and confirm:

- appropriate documentation has been submitted to validate the information.
- the borrower's certifications are true and correct.
- your math is accurate.

The lender has 60 days for the process to be completed, and then will issue a decision to SBA along with the required documents. The lender's decision will fall into one of these categories:

1. Approval
2. Denial
3. Denial with prejudice due to pending SBA review

Examples of supporting documents to be included with the forgiveness application include bank

statements, tax forms, receipts, and canceled checks.

For allowable non-payroll costs you must prove the service or obligation was in place prior to Feb. 15, 2020, and provide proof of payment. For example, if you started new internet service on Feb. 15 or after, it would not be an allowable utility expense. For such things as mortgage interest payments, rent, or leases you will likely need to produce an amortization schedule, lease agreements, copies of canceled checks, etc.

If using the 3508 form, you will need to include the loan forgiveness calculation form, the PPP schedule A and documentation showing the average number of full-time employees on your payroll during the referenced time periods.

Should you be required to pay back any portion of PPP funds, no payment will be due for 10 months. Ask your lender about additional terms and conditions or refer to your loan documents.

SBA emphasizes simply approaching the forgiveness process with honesty and integrity. With careful record keeping and aligning the use of funds with allowable expenses, you should be able to produce necessary documentation for forgiveness. Rely on the expertise of your CPA and always reach out to your lender first as they are the ones who will be recommending to SBA whether the loan is forgivable.

Greg Smith is the executive advisor of the Umatilla Electric Cooperative Business Resource Center.

Doughnut delivery service dreams of expansion

By JADE MCDOWELL
NEWS EDITOR

For now, The Spot is more a state of mind than a physical location, but its owners hope that won't be the case forever.

Ray and McKenzie Diaz started a doughnut delivery business in Hermiston called The Spot about 10 months ago, but once their business is big enough they plan to transition into a gathering place where people can come in and enjoy doughnuts, coffee and socializing.

"Our main purpose behind it is to make an awesome doughnut, but also to have a cool place for people to hang out and feel welcome," Ray said.

He said he and McKenzie love doughnuts, and one day when they were driving home from Walla Walla, Washington, with a box of doughnuts they decided they wanted to bring a good doughnut option to Hermiston.

They started "messaging around" with recipes and created some staples they thought would sell, Ray said, and began selling their doughnuts at the Union Club before more recently striking out on their own as a delivery service on Wednesday through Saturday.

They always offer their maple bacon doughnut, and



Photo contributed by Ray Diaz
Ray Diaz, pictured above, and his wife McKenzie Diaz are hoping to expand their doughnut delivery service, The Spot, to a permanent location. Their treats come in a variety of flavors.



then offer three other flavors that are rotated on a weekly basis. Flavors range from Nutella sea salt to the Skipper, a brioche doughnut with a Walchli watermelon glaze named after the late Skip Walchli. The doughnuts are all made with coconut oil and almond milk.

Ray mostly handles the cooking side and McKenzie mostly handles the business end.

"She's is more business savvy than me," he said. "She's super smart, so she's been holding us down, figuring out the details about taxes, rules we have to follow."

He said they recently lost their delivery driver and are temporarily pick-up only, but hope to be back to delivering soon. They're also starting to look at possible locations for a doughnut shop, although he said it's a "weird" time to try and expand a business during COVID-19.

For more information about The Spot, visit spotdonuts.com or The Spot Donuts + Friends Facebook page.

New executive director chosen to lead Oregon Cattlemen's Association

By GEORGE PLAVERN
CAPITAL PRESS

A new executive director is coming to the Oregon Cattlemen's Association.

Tammy Dennee was hired Aug. 13 to lead the industry lobbying group, representing 1,800 rancher members across the state. She replaces Jerome Rosa, who left in July to take over as head of the Arizona Cattle Growers Association.



Dennee

While Dennee is officially joining the OCA, she won't have to go far. For the last five years, she has been the legislative director of the Oregon Dairy Farmers Association, which shares an office in Salem with the cattlemen's association.

That means Dennee will be moving all of 5 feet — just to the other side of the wall — when she begins her new job Oct. 1.

OCA President and

Harney County rancher Tom Sharp said Dennee is "exceptionally qualified" for the position, adding that the group's hiring committee was impressed with her years of experience working on behalf of agriculture at the Oregon Capitol.

"I have complete confidence Tammy will do great work on behalf of our mission and membership," Sharp said in a statement.

Dennee, 58, is a lifelong Oregonian, born in Hood River and raised in The Dalles. For a while in Hood River, Dennee said her grandparents had a small farm with cows, horses, chickens and a giant garden that, in the eyes of a child, seemed to stretch for blocks.

Dennee's paternal grandfather was also a herdsman for a dairy farm near Donald. One summer,

she remembers working on a ranch near Grass Valley in rural Sherman County, where she was introduced to the physical strenuous job of "bucking," or stacking, hay bales by hand. Those experiences, she said, helped her to develop a strong connection with agriculture.

"I just have such an appreciation for the hard work these men and women dedicate themselves to every single day," Dennee said.

Before going to work for the Dairy Farmers Association, Dennee was a top official for the Oregon wheat industry based in Pendleton. She spent 10 years as executive director of the Oregon Wheat Growers League, stepping down in 2010.

Six years ago, Dennee moved to the Willamette Valley with her husband, Michael. They live in Dallas, about 15 miles west of Salem.

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