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Roundtables 2021-02-16,19

PPP loans

PPP loans over \$2,000,000 have not had forgiveness papers processed completely even when they are way past the deadlines for the SBA to process them.

PPP loans under \$2,000,000 are being processed and forgiven in a reasonable time period.

Instructions for loan forgiveness keep changing.

Several companies are still waiting file to see when they can get the most favorable treatment before filing.

Preparation for PPP audits

Keeping a set of documents on why the decisions were made.

Keeping forms that could have been sent but weren't needed.

PPP loan fees, loans, and forgiveness

Banks are definitely aware of the effect on debt ratios and covenants.

You can even play dumb on forgiveness and wait to see if the bank flags it, or talk to them first.

If it is not a question of meeting your covenants or not, the banks are being flexible.

Other programs and changed regulations

PA100 form – There have been some changes. Only two people have seen a difference.

ERTC (Employee Retention Tax Credit) - no one had filed because they can't see if they are eligible yet.

One company meets eligibility and is waiting to pull the trigger on withholding taxes.

Rules keep changing every other day.

Labor Unions and the new administration.

Nothing has surfaced yet from the Biden administration.

COVID-19

The assumption is that there will continue to be a mask mandate throughout 2021, into 2022.

Requiring vaccinations – nobody knows if you can require them. You can encourage it.

Liability limits for people getting COVID at work.

It has not been addressed yet by Congress or CDC.

Limit access to the plant to absolutely required people.

Have those people all sign waivers.

OSHA has said they are not coming in for inspections due to COVID protocols.

(I heard more than one Hallelujah!)

Overseas and US supplies and logistics

China is shutting down for ONE week instead of the usual two weeks for Chinese New Year.

Freight is still an issue. Cost is going up.

Routine shipments are getting through easily.

Non-routine shipments are a problem. They just can't get the containers through the ports.

Suppliers have been unable to get raw steel.

Specialty steels and structural steel are both problems.

Computers and vehicles are hard to get delivered.

Chip shortages are causing ridiculous lead times and very high prices.

One truck manufacturer is building trucks with frames, cabs, and engines, but can't get the materials they need to finish the trucks, so they are building up unfinished inventory.

How do you budget for this environment?

You make assumptions.

When and how big the turnaround will be? Most are projecting a turnaround 6 months out.

It really feels like tossing a coin sometimes.

You also have problems with customers pushing out orders.

Case by case you decide if you just need to cancel the order that is pushed out.

Salespeople are drinking happy juice. They are not being accurate in their projections.

They are not even accurate in good years.

Hiring

Expansion jobs are not being filled. Even with a perfect match, the job is cancelled half the time.

Replacements of people who left are always being filled once the search starts.

Accountants with 3-5 years experience are very hard to find right now.

Is anyone using social media for advertising to make money?

One company is putting together videos that have people explaining what they are doing.

For instance in AP/AR, sales, customer service, they are doing videos of the people you will

be talking to. That way they are real people when they talk to them.

Sales by social media video has been a life saver for some companies.

If you have any comments or questions, give me a call.

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