

BLUE BEAR BLUE RIBBON TIMES

A NEWSLETTER TO INFORM OUR CLIENTS ON THE CURRENT
ISSUES AFFECTING THE TAX AND ACCOUNTING WORLD

DON'T THROW OUT THAT STIMULUS CHECK!

Many people may have accidentally thrown away their expected stimulus check because it looks like a scam when it arrives in a plain white envelope bearing a debit card. The debit cards arrive in a plain envelope from “**Money Network Cardholder Services.**”

Nearly 4 million people are being sent their Economic Impact Payment by prepaid debit card, instead of paper check. The determination of which taxpayers received a debit card was made by the Bureau of the Fiscal Service, a part of the Treasury Department that works with the IRS to handle distribution of the payments. If you have accidentally destroyed your card, don't worry! You can request a new one by calling the customer service line at 800-240-8100 and can visit the EIP website for additional information: <https://www.eipcard.com/>



HAVEN'T GOTTEN YOUR STIMULUS CHECK?

Go to this link to submit your information:

<https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

TAX DAY DELAYED!!!

The Treasury Department and Internal Revenue Service has officially announced that the federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020.

Colorado Dept of Revenue has also extended the deadline to July 15, 2020.

CALL US FOR MORE INFO!

SMALL BUSINESS ADMINISTRATION MINORITY OWNED STATUS:

The US SBA has a business assistance program for small disadvantaged businesses. The **8(a) Program** offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals. This applies especially to businesses that intend to work directly with the government: *“To help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities, the government limits competition for certain contracts to businesses that participate in the 8(a) Business Development program.”*

Benefits of the program include:

- Compete for set-aside and sole-source contracts in the program
- Get a Business Opportunity Specialist to help navigate federal contracting
- Form joint ventures with established businesses through the SBA’s mentor-protégé program
- Receive management and technical assistance, including business training, counseling, marketing assistance, and high-level executive development



You must get certified as an 8(a) business, which requires a 2 step process. First you must register with the System for Award Management (<https://www.sam.gov/SAM/>) in order to do business with the US Government. Secondly, you must certify your eligibility here (<https://certify.sba.gov/>) with the SBA as a qualified ‘entity’ for any of the following:

8(A)

The 8(a) Business Development (BD) Program offers a broad scope of assistance to firms that are owned and controlled at least 51% socially and economically disadvantaged individual(s).

WOSB

The Women-Owned Small Business (WOSB) Federal Contract Program allows set-asides for WOSBs in industries where firms are underrepresented. WOSBs must be at least 51% owned and controlled by women.

HUBZone

The Historically Underutilized Business Zone (HUBzone) Program allows federal contract set-asides for small businesses in economically depressed communities.

IRS WILL ALLOW TAXPAYERS TO FILE AMENDED RETURNS ELECTRONICALLY

Later this summer the IRS has announced it will begin allowing taxpayers to electronically file their amended tax returns. So far, this only applies to tax year 2019, but it is a big step and should allow for much speedier processing (keeping in mind this is the government) and more accurate amendments. Prior to this year, filing an amendment could mean 6 - 8 weeks of waiting for the manual paper to be processed. Filing by paper this year could mean even longer as the filing date has been moved back to July 15th (*it's coming up quick so get on it!*), so check with your tax professional on whether this will benefit you.

Learn more about it from Kelly Phillips Erb, a Forbes senior contributor here: <https://bit.ly/3eG21fE>

PAYCHECK PROTECTION PROGRAM & ACCOUNTING: HOW DO WE CLASSIFY IT?

For those who have needed to access the forgiveable government loans known as the Paycheck Protection Program, a new problem has arisen. One of the first issues was the availability of funds, especially to minority businesses and other small businesses that didn't have a previous relationship with a bank. Another issue is the amount of paperwork and documentation that



impacts small business owners trying to stay on top of it. But to add to all that is the uncertainty over how to account for this 'income'. Does this count as a debt or liability, or is it considered a grant or a credit? Unfortunately, there is not a lot of consensus on what these loans mean as it relates to accounting and bookkeeping. It may also depend entirely upon the circumstances each individual business is facing. Some well known firms are offering the guidance that if a business applied for the loan and then realized they may not actually be eligible for the loan forgiveness, they should classify them as a debt. Whereas those who are able to get the loan forgiven (which again requires a lot of attention to detail and compliance) should consider it as a debt extinguishment. Some may look at this as a form of government assistance or a government grant/tax break/incentive, and those businesses with investors may need to clarify where their income is derived from to reflect a realistic picture of their company. Regardless of your situation, you would be wise to seek professional guidance or help in sorting out how you choose to proceed.

Coronavirus Information

As we enter the summer months, it may feel like the threat of Covid-19 is waning. Certainly the state is no longer under the Stay-At-Home order and are now under Safer-At-Home guidelines. Campgrounds and parks are beginning to re-open as are many businesses and restaurants. Colorado State Parks are reopening and are allowing cabin/yurt and camping sites to be rented/booked. They are limiting the number of open spots and require 10 or fewer people per site. Make sure you give yourself plenty of advance time to book; with fewer sites available, many campgrounds and rentals are already booked for the foreseeable future. Find out how many state parks there are, and which ones are open here: <https://cpw.state.co.us/>. Our National Park system is also reopening slowly; for a list of openings (and their limitations) visit: <https://cbsloc.al/36QfwGN>

You are Still Encouraged to Stay Safe!

- Wear a mask in stores and where you cannot safely 'socially distance'. Many stores are requiring masks to enter.
- Avoid large groups of over 10 people for lengthy time periods.
- If you don't feel well, STAY HOME!
- Stay local where possible.
- Pay attention on the roads! Roadway fatalities have actually increased in places because people are not paying as much attention to their driving and others are driving faster than they normally are able to with fewer people on the roads.
- Be courteous, this has been a long stretch of stressful time for everyone.

