



**FIVE VINE  
CONSULTING**



# **Taxing Times:**

## **What You Need to Know About Tax Planning and Recordkeeping During Covid-19**



# Objectives & Agenda



**Objectives:** Our legal and financial consultants will explain the changing tax dates, rules, and procedures, how they affect you and your business, and best practices for recordkeeping.

## Agenda:

- **Welcome & Introduction** (*5 minutes*) – Emily Blistein; Director of Business Strategy, LGK
- **Updates** (*5 minutes*) – Lawrence Miller; Consultant, Five Vine Consulting, LLC
- **Taxes & Recordkeeping** (*15 minutes*) – Stephen Trenholm; Director, Tax Group, Gallagher, Flynn & Company, LLP
- **Dependent Care Assistance** (*5 minutes*) – John Hollar; Attorney, Downs Rachlin Martin, PLLC
- **Q & A for webinar participants** (*28 minutes*)
  - Facilitated by Brenda Metzler; Community & Program Support Specialist, LGK
- **Closing & Summary** (*2 minutes*) – Trey Martin; General Counsel, LGK

# Professional Development Reminders



This webinar has been approved by Northern Lights for Professional Development credit.

A reminder that in order to receive PD for this webinar, you will need to:

- Remain on the webinar for the entire hour
- Submit your BFIS number OR full name and address exactly as it appears in the information system
  - There was a prompt to enter your number when you registered for this webinar, so you may have already done this
  - If you had any trouble, or don't know your BFIS number, please contact [Ansley@letsgrowkids.org](mailto:Ansley@letsgrowkids.org) and she will help you out!

# LGK's Coronavirus Resource Page



STAYING HEALTHY



STAYING INFORMED



RESOURCES FOR EARLY CHILDHOOD EDUCATION PROGRAMS



RESOURCES FOR FAMILIES

RESOURCES FOR EMPLOYERS

WHAT YOU CAN DO

WEBINARS

In the midst of this unprecedented global public health crisis, navigating current state and federal legislation, money, and employment matters can all be tricky. Let's Grow Kids is here to connect you (at no cost) with financial, tax, accounting, and human resources professionals and with resources that will help you make decisions for you and your business.

Name \*

Email \*

Phone \*

Name of your child care program \*

# Updates



- Definition of essential workers for child care purposes
  - <https://webportalapp.com/webform/essentialworkers>
- Pandemic Unemployment Assistance, for self-employed

# What assistance is there for small business under the CARES Act?



- Paycheck Protection Program (PPP)
  - Forgivable?
  - Is the forgiveness really tax free?
- Economic Injury Disaster Loans (EIDL)
- Employee Retention Credit
  - Cannot be used if you receive a PPP Loan
- Employer 6.2% Social Security payment deferral
  - Can be used if you received a PPP Loan, but ability to defer stops when notified your PPP Loan is forgiven
- Small Business Loans

# Tax Benefits Passed in the CARES Act



- Ability to carryback losses incurred in 2018, 2019, and 2020 back 5 years
- Fix of the Retail Glitch in the Tax Cuts and Jobs Act (TCJA)
  - Qualified Improvement Property placed in service in 2018, 2019, and 2020 is now eligible for 100% bonus depreciation

# Recordkeeping



- Tax time extended?
- Why is good recordkeeping important?
- Year-end surprises?
- Sample recordkeeping for PPP Loan Forgiveness:
  - Set-up a separate account to receive the loan funds. Transfer money for payroll into your payroll account and then transfer 25% for rent and utilities into your regular account.
  - If you do not use a separate account:
    - Make sure you can run a payroll report for the eight weeks beginning with the date you received the proceeds.
    - Prepare a schedule documenting other allowable payroll costs paid during the eight-week time period and a separate schedule of rent and utilities paid during that time.
    - Reference proof of payment, date of payment, vendor, etc.
    - When you apply for forgiveness, you will already have the documentation you need.
  - Have a copy of leases and utility bills from January and February 2020 in case you are asked to show they were in effect on February 25, 2020.



# Unemployment



- Is it optional for employees if not laid off?
- Don't forget it is taxable income for Federal and Vermont

# Federal Dependent Care Assistance Programs



- Dependent Care Assistance Programs allow employees to use pre-tax money to pay for child care expenses.
- Dependent Care Benefits also include:
  - Amounts an employer pays to an employee to care for dependents.
  - The cost of child care provided or sponsored by an employer, and
  - Pre-tax contributions that someone makes under a flexible spending arrangement.
- Federal law requires that expenses be “incurred to enable the taxpayer to be gainfully employed.”
- Payments made to a child care facility pursuant to the Child Care Stabilization Program may not meet this requirement.
- We will be seeking clarification of this issue from the IRS, working through the Vermont congressional delegation.

# YOUR QUESTIONS



# Resources



- Let's Grow Kids [COVID-19 resource page](#), which includes the web form survey you can fill out to be connected with one of our consultants who can provide 1:1 support FREE of charge, *sponsored by LGK's Emergency Fund*
- Connect with early childhood professionals across VT and access resources to save time and reduce costs:
  - [www.sharedservicesvt.org](http://www.sharedservicesvt.org)
- [Vermont Early Childhood Forums](#) hosted by BBF and CDD – the last one is April 24 (1–2 PM)
- VSECU's Member Emergency Loan: <https://www.vsecu.com/memberemergencyloan>
  - Early educators can access loans of up to \$2,000 with low- or no-interest
  - Let's Grow Kids is covering \$25 membership fee for non-VSECU members and their first month's loan payment
- Definition of essential workers for child care purposes: <https://webportalapp.com/webform/essentialworkers>

## Northern Lights Approved Trainings:

- [Using your GPS: A Financial Guide for Reopening Your Business \(following COVID-19\)](#) – April 28 (1–3 PM)
- ***Join us again next week!*** The Business of Child Care: Vermont and National Perspectives on Where We Are and Where We Are Going – April 30 (1–2 PM) – *registration link coming soon!*

**THANK YOU!**