

GOOD FRIDAY

- To people of faith, consider praying and fasting that:
 - The present pandemic may be controlled
 - Caregivers protected
 - The economy is strengthened
 - Life is normalized

SHOUT OUT TO PFG TEAM!

Both you and I are very blessed to have this team!

4/10/2020

| Practice Financial Group |

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FINANCIAL RECAP – PFG COMMUNICATION

1. Don't panic and sell investments. Would you sell your practice?
2. Take care of employees
3. Emergency Cash Plan
 - Save cash, stop spending, defer all payments
 - Get access to financing (LOC, HELOC, EIDL, PPP)
4. Cash preservation – survive in the desert

PFG'S PLAN FOR CASH PRESERVATION

- Effective immediately, we're cancelling all scheduled consults in April, May & June
- In their place, starting in May, we're going to hold monthly cash flow calls with each client to make sure there is a plan for cash preservation now, and a cash plan to reopen the practice
- *If you're faced with a large, looming decision, we can have this call earlier.
- If you're going to run out of cash, we want to know this months in advance

LESSONS LEARNED SO FAR...

1. The importance of cash in the bank:
 - Emergency fund
 - Working capital base
2. Keep your fixed costs low
3. Economy is fragile
4. Don't set your heart on riches
5. Americans are not as wealthy as we act (or spend)
 - These “stimulus” bills aren't healthy
 - We will pay for them (higher taxes/inflation)

BLESSINGS OF COVID-19 CRISIS

1. More time for relationships
 - Family, friends and God
2. Relearn to live simply and frugally
3. Time to work “on” your business
 - Systems for everything you do!
 - Update website
 - Employee guides

CREATING SYSTEMS

- A “system” is the “how” you perform business procedures.
- If I were a dentist right now, I would go through every job we perform, and make a written guide for “how” that job is done.
 - How do you answer phones?
 - How do you greet patients as they walk in the door?
 - How do you check them in?
 - How do you bring them back?
 - How do you take x-rays?
 - How do you perform your initial exam?
 - How do hygienists perform cleanings?
 - How do you diagnose?
 - How do you present treatment?
 - How do you check people out?
 - How do you reschedule the next appointment?

PPP LOAN UPDATE

- Independent Contractors are eligible to start applying today (“We’re seeing a new surge of applications”)
- Banks are overwhelmed
 - Columbia Bank: shut down their application site. “In 2 days we received $\frac{3}{4}$ of the applications we’ll see in a year.”
 - First Interstate Bank: 50% of our employees are working on these loans
 - BofA: 348k applications; \$45B of loans; \$6B funded so far

WHEN SHOULD I APPLY FOR PPP LOAN?

- This is a Risk Tolerance issue and is up to each individual
- Applying Now
 - Risk: it's possible that nothing is forgiven, and you miss out on the "free money"
 - Reward: higher probability of getting the loan at all
- Waiting to apply
 - Risk: funding may run out
 - Reward: higher probability of loan forgiveness
- *If you don't apply now, you need to be OK with not getting money

FAQ – AMOUNT OF LOAN FORGIVENESS

- **Question:** The amount of forgiveness of a PPP loan depends on the borrower's payroll costs over an eight-week period; when does that eight-week period begin?
- **Answer:** The eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower. The lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval.

APPLICATION PROCESS

1. Bank accepts and reviews your application (banks are overwhelmed here)
2. Sends application to SBA through “E-Tran” system
3. Someone at SBA reviews your application (~30 minutes); sends back to the bank a SBA registration number
4. Once the bank gets your unique SBA registration number, then they can approve the loan and release the funds (within 10 days; some banks release funds immediately).
5. *You could deny the funds – borrower still must sign the loan doc – if you do, you start the whole process over

FAQ – AMOUNT OF LOAN FORGIVENESS

- “My question is the interpretation of “maintains employment levels.” I’m not sure if this means I need to bring back the whole team to be eligible for forgiveness. My current plan is to keep some employees on unemployment (those who are financially better off on it) and put the others on payroll. However, I don’t want to do something that will put me on the hook to repay this whole amount.”

WHAT IF MY BANK WON'T DO PPP LOANS?

- Other lenders:
 - Kabbage: kabbage.com
 - Fundera: fundera.com
 - Newtek: newtekone.com
 - Ready Capital: readycapital.com



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