

422 Epic Drive  
Chambersburg, PA 17201  
717-263-8713 (Phone)  
717-263-9435 (Fax)

# GRAY ♦ PILGRIM

A N D A S S O C I A T E S , L L C

SEPTEMBER 2021

- Opportunities for your Business 1
- Employee Retention Tax Credit 2
- IRS.GOV 3
- HHS- Provider Relief Fund 4
- HHS Reporting Requirements 5
- COVID Relief 6
- SBA: EIDL & more 7
- Tax deductions for Business 8
- Kampstra Wealth Management 9
- Employee Spotlight 10



Reminder:  
more cash  
equals  
more taxes



## Quarterly Newsletter 2021

This quarter, our newsletter is covering great opportunities for business owners to maximize their understanding and inner workings of the IRS as well as increase their development in financial growth.

### Opportunities for your Business

Many, if not all businesses have been affected by COVID-19; which we can all say was something we never expected to occur, let alone last as long as it has. With all of the various government, state, and other relief support, grants, & loans that have been available, it is time to understand how each opportunity can best benefit your business, and to organize and prioritize the use of these funds accordingly. A key component is maintaining a streamline of communication, focusing on what is the best option for your business for growth of revenue.

The IRS has released information that will not only provide insight on how to stay connected and know exactly when you can expect tax credits, but also how to monitor and review what is tied to you directly. We want to generate the best form of communication possible to allow you to see exactly where each penny is being utilized.

Your attentiveness to maintain deadlines and submit information will be the best method of practice, and it will help create a smooth transition when it is tax time.

We encourage you to take a moment to review all that is available for you and your business during these unusual times. As business owners, we want you to think of the bigger picture and utilize the opportunities presented to you.

### Coming soon: Dental Fee Surveys

Our Dental Fee Surveys are a free service that we provide to help dentists determine where their fees fall so they can make adjustments to bring in more money.

Our office Administrative Assistant will be working to send these out. Expect them at the end of October.

If you have any questions, please contact Holly via email at [Holly@gpallc.net](mailto:Holly@gpallc.net).

## Employee Retention Tax Credit

The IRS has not released the specifics on the timeframe as to when payments will begin to process.



*If you have received your ERTC credits, please provide this information accordingly to update your financials .*

We have written previously regarding the ERTC, which was created by the CARES Act to provide a tax credit on a per-employee basis if employers had a sufficient reduction of revenue or had a partial/ complete shutdown based on a Civil Authority Order.

At the end of May, the IRS explained the cause of the delays and the status of the backlog to these credits. Two main reasons are:

1. The changes in procedures at the IRS to address COVID-19 safety protocols; including working remotely and
2. The sheer volume of refund requests

The processing relates to Form 941, the Employers quarterly tax return and for 941-X, the adjusted employer's federal tax return or claim for the refund (after-the-fact claim).

The IRS released the following statement:

“Many businesses in the United States, the IRS has also been impacted by COVID-19, which has caused delays in its services. These delays have impacted the IRS processing mail, tax returns, payments, refunds and correspondence. This has caused many businesses that filed for the ERC to experience a longer than anticipated tax refund.”

There is no further action required by employers. The IRS is taking steps to speed up the process. We will provide updated information as it is released.

If you wish to contact the IRS for further questions regarding the ERC, provided contact number is 877-777-4478. Please note that calls may experience extremely lengthy delays .

### Are you Ready for Tax Planning 2021??

Now is the time to think about your 2021 tax preparation. You should begin to gather all of your documents together. Below is a partial list of documents you will need to put together for review:

- Loan Statements
- New equipment cost
- Credit Card statements (for the year)
- Other financial statements ( bank statements, retirement figures etc.)



# Understanding your I.R.S Account

## IRS.GOV

We are still encouraging clients to take the opportunity to set up your individual logins to review your personal federal IRS accounts. This will allow you to review each year's tax return, current/ outstanding balances, and any/all payments and more. You must generate an account on your own, as the validation of personal security information is "specific to the individual".

The IRS plans to develop an online account for business taxpayers in the future, enabling businesses to easily and securely manage their federal tax obligations.

To set up an account with IRS please follow the steps below:

- Visit IRS.gov
- Select "Make New Payment"
- Under View your balance and payment Activity Select "View Your Account"
- Select "Log into your online account"
- Select "Create account" on left.

Online Account is an online system that allows you to securely access your individual account information.

### You can view:

- The total amount you owe, including balance details by year
- Your payment history and any scheduled or pending payments
- Key information from your most recent tax return
- Payment plan details, if you have one
- Digital copies of select notices from the IRS
- Your Economic Impact Payments, if any
- Your address on file
- Authorization requests from tax professionals



### You can also:

- Make a payment online
- See payment plan options and request a plan via Online Payment Agreement
- Access your tax records via Get Transcript
- Approve or reject authorization requests from tax professionals

Please note:

- Your balance will update no more than once every 24 hours, usually overnight.
- Check or money order payments may take up to 3 weeks to appear in your account.

Below we have included a YouTube link that provides further insight on how to set up your accounts on the IRS's webpage.

<https://www.irs.gov/payments/view-your-tax-account>

# HHS– CARES Provider Relief

## Submitting your PRF Report:

The PRF portal is now open! Please be sure to register, and complete/submit your report. You must complete the registration on your own for liability purposes. Please visit [prfreporting.hrsa.gov/s/](https://prfreporting.hrsa.gov/s/) today.

Recipients who received one or more payments exceeding \$10,000 in the aggregate during the payment received period are required to report in each applicable reporting time period (Chart located on page 5). Recipients of these funds agreed to the terms and conditions, which require compliance with reporting requirements specified by the secretary of Health & Human Services (HHS).



Please be sure to review which reporting period your business is required to complete their reporting requirements. Our staff will be able to aid with the submission of these reports during those specific dates accordingly. You must have your registration complete prior to this timeframe.

### Announcing 60-Day grace period– Reporting Period 1

The September 30, 2021 Reporting Period 1 deadline has not changed, however in response to challenges providers are facing given the Covid surges and natural disasters around the country, a 60-day grace period is in place. This period allows providers to come into compliance with their PRF reporting requirements should they fail to meet the September 30, 2021 deadline.

#### Important Details:

- While you will be out of compliance if you do not submit your report by September 30, 2021, recoupment or other enforcement actions will not be initiated during the 60-day grace period (October 1 – November 30, 2021).
- The grace period begins on October 1, 2021 and will end on November 30, 2021.
- Providers who are able are strongly encouraged to complete their report in the PRF Reporting Portal by September 30, 2021.
- Providers should return unused funds as soon as possible after submitting their report. All unused funds must be returned no later than 30 days after the end of the grace period (December 30, 2021).



***This grace period only pertains to the Reporting Period 1 report submission deadline. There is no change to the period of availability for use of PRF payments.***

July 1, 2021



# Provider Relief Fund Post-Payment Reporting Requirements

Provider Relief Fund (PRF) recipients who received one or more payments exceeding, in the aggregate, \$10,000 during a Payment Received Period are required to report as part of the post-payment reporting process.



Review the June 11, 2021 [Notice of Reporting Requirements](#).

## Reporting Portal

The Provider Relief Fund [Reporting Portal](#) is now open for reporting on the use of funds. Providers required to report during Reporting Period 1, have until September 30, 2021 to submit their information in the Portal.

Portal Registration is the first step in reporting and providers are encouraged to register in advance of their designated reporting window. [Click here to register now](#). The registration process will take approximately 20 minutes to complete and must be completed in one session.

## Period of Availability of Funds

The period of availability of funds is based on the date the payment is received. Providers may use payments for eligible expenses, including services rendered and lost revenues, during the period of availability as described in the June 11, 2021 [Post-Payment Notice of Reporting Requirements](#).

## Reporting Time Periods

Recipients who received one or more payments exceeding, in the aggregate, \$10,000 during a Payment Received Period are required to report in each applicable Reporting Window. Reporting must be completed and submitted to HRSA by 11:59 PM ET the last date of the reporting time period.

Period	Payment Received Period (Payments Exceeding \$10,000 In Aggregate Received)	Deadline to Use Funds	Reporting Window
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023

## Technical Assistance

HRSA will host a recorded webcast July 8, 2021 at 3 PM ET, on reporting requirements for PRF recipients and interested stakeholders. [Register here](#).

In addition, an on-demand Portal demonstration video tutorial will be made available in July.

Real-time technical assistance is available by calling the Provider Support Line at (866) 569-3522; for TTY dial 711. Hours of operation are 8 a.m. to 10 p.m. Central Time, Monday through Friday.

## Helpful Links

- [PRF Reporting Webpage](#)
- Frequently Asked Questions (FAQs)
  - [Reporting-specific](#)
  - [Portal-specific](#)
- Portal User Guides
  - [Registration](#)
  - [Reporting](#)
- [PRF Payment Terms and Conditions](#)

## COVID Relief....Tax break for Employer– Paid Student Loan Contributions

We want to highlight a new incentive that companies are now able to utilize based on the latest provision within the CARES Act that temporarily pauses payment & interest on most federal student loans. This is included in the governments efforts to ease the financial strain brought to us by the COVID-19 virus.

Employers can now pay up to \$5,250 toward an employee's student loans, tax-free through the end of the year. Traditionally, these payments are treated as wages, but until the end of the year, these payments are excluded from income and payroll taxes.

Not only does this benefit the employer but also those receiving the repayment assistance. The \$5,250 limit applies cumulatively to both new student loan repayments benefit as well as other educational assistance, such as tuition reimbursement or money for books of materials.

This is a benefit per year, per employee & was extended through December 2025.



## PPP Round 2 Forgiveness

The applications for PPP round 2 forgiveness are slowly being sent out by the lenders . We want to track them as closely as possible and submit the application sooner rather than later. Our office requests that the following information be sent to our attention as soon as it is received, so that we can submit the forgiveness application on your behalf.

- Forward the email obtaining the official link to access the PPP round 2 application portal.
- User log in and password information to access the portal.

The following information will be entered as part of your forgiveness application:

- Payroll Summaries for time period of loan.
- 941 quarterly tax filing for time period of loan
- Copy of the SUTA: State Unemployment Tax ACT (quarterly tax return)
- Cost of Rent/Utilities etc. (if payroll is not enough to cover loan)

For additional questions regarding forgiveness application, please contact our office.

\*\*\*Please be sure to send us any documentation already obtained reflecting the forgiveness

# Newest Item:

## SBA Administrator: COVID Economic Injury Disaster Loan Program ( EIDL) & more

The SBA's COVID EIDL program offers a lifeline of millions of dollars to small businesses who are still being impacted by the pandemic. Eligible small businesses can visit [www.sba.gov/eidl](http://www.sba.gov/eidl) to obtain detailed information regarding eligibility and application requirements. All applicants should file their applications as soon as possible, as the last day to submit applications is December 31st, 2021.

Below we have included the key changes that were released by the SBA.

### Key Changes being announced by the SBA Include:

- **Increasing the COVID EIDL Cap.**  
The SBA will lift the COVID EIDL cap from \$500,000 to \$2 million. Loan funds can be used for any normal operating expenses and working capital, including payroll, purchasing equipment, & paying debt.
- **Implementation of a Deferred Payment period.**  
The SBA will ensure small business owners will not have to begin COVID EIDL repayment until two years after loan origination so that they can get through the pandemic without having to worry about making ends meet.
- **Establishment of 30- Day Exclusivity Window**  
To ensure main street businesses have additional time to access these funds, the SBA will implement a 30-day exclusivity window of approving and disbursing funds for loans of \$500,000 or less. Approval and disbursement of loans over \$500,000 will begin after the 30-day period.
- **Expansion of eligible use of funds.**  
COVID EIDL funds will now be eligible to prepay commercial debt and make payments on federal business debt.
- **Simplification of affiliation requirements**  
To ease the COVID EIDL application process for small businesses, the SBA has established more simplified affiliation requirements to model those of the Restaurant Revitalization Fund.



## Pay.gov

Pay.gov makes it easy to make and manage online payments to many, but not all, United States Government agencies. Payments through Pay.gov are like making any online purchase, but first you must choose the agency paid and what you are paying for. Anyone, anywhere; individuals and businesses; can use Pay.gov.

You can:

- Make one-time or automatic recurring payments.
- Make donations, such as for disaster relief.
- Manage payments, including tracking payment history and status.
- Store information you use repeatedly when making payments, such as your name, address, and credit card number.



Creating a separate category which would include things like holidays, parties, picnics, team building events, staff mentoring etc. will organize your financials for 100% deductible expenses.

## Tax Deductions for Business Meals

Businesses will be permitted to fully deduct business meals that would normally be 50% deductible. Although this change will not affect your 2020 tax return, the savings will offer a 100% deduction in 2021 and 2022 for food and beverages prepared by a restaurant. In order to get your meals deducted, there has to be a business purpose around the meal. The objective is to stimulate the restaurant industry.

### The following expenses are still not deductible:

- Sporting event tickets
- Transportation to/from a restaurant for client business meals
- Club memberships and club-related expenses
- Meals during entertainment that are not listed separately on the invoice

### For 2021 & 2022:

- Meals provided for the convenience of the employer (such as meals for occasional employee overtime) *100% deductible in 2021 and 2022 if the meals are prepared by a restaurant*
- Water, coffee, and snacks at the office *no change in 2021/22*
- Meals included in charitable sports packages *100% deductible in 2021/22*
- Meals in office during meetings of employees, stockholders, agents, or directors *100% deductible in 2021 and 2022 if the meals are provided by a restaurant*
- Meals during business travel *100% deductible in 2021/22*
- Meals at a seminar or conference *100% deductible in 2021/22*
- Meals included as taxable compensation to an employee or independent contractor (100% deductible)
  - Meals sold to a client or customer (100% deductible)
  - Food offered to the public for free (100% deductible)
  - Office holiday party or picnic (100% deductible)
  - Client business meals *100% deductible in 2021/22*
  - Team-building events (100% deductible)

Again, the key is that they have to be restaurant prepared foods.



**TAX TIPS**

# KAMPSTRA

## WEALTH MANAGEMENT

### **Why You Shouldn't Hire Your Payroll Provider to Manage Your 401(k) Plan**

If you currently offer a 401(k) or are considering one, it might seem like the perfect fit to hire your payroll provider to service your plan. The 401(k) is a powerful tool for you and your employees to save for retirement on a tax-advantaged basis, but you are also running a business. If you are like most small business owners, the thought of spending time to understand and comply with complex IRS rules may make you think twice. If you could avoid the headache by 'flipping a switch' to turn on the 401(k) option, why not flip it and move on? While bundling the 401(k) with your payroll provider appears to be 'easy', it could turn into a nightmare down the road. There are several important reasons you should look elsewhere, consider the following:

**Payroll Integration** – your payroll company will tell you that integrating payroll with the 401(k) is important for efficiency. What they will not tell you is that payroll can be integrated with most 401(k) vendors, not just the payroll company itself.

**Service** – most payroll providers do not offer a dedicated representative for your 401(k) plan and are unwilling to 'hold your hand' when an issue inevitably arises.

**Cost** – your payroll company may give the impression that you are saving money by bundling the 401(k) with payroll, but you may end up paying more. There are several ways that fees are charged within a 401(k), and many providers attempt to 'hide' the true cost by using higher cost investment options that share revenue.

**Expertise** – other than salary deferrals and W-2 compensation, payroll has very little to do with 401(k) administration. Salary deferrals and compensation reporting can often be automated, leaving little room for error; however, plan discrimination testing is not automated and there are many moving pieces that can affect the results.

**Plan Design** – most payroll providers offer limited 'plain vanilla' options to simplify their operations and will not discuss the benefits of advanced designs including new comparability profit sharing or cash balance plans that can provide far greater tax benefits to you and your business.

**Fiduciary Liability** – 401(k) plans are complicated, and you have legal responsibilities to your plan and participants.

Payroll providers typically do not act as a Fiduciary, meaning if they mess something up, you are the one liable for their mistake.

Working with a 401(k) specialist can not only save you time and headaches, it may also allow you to retire on your own terms. Contact Kampstra Wealth Management today for a complimentary fee benchmarking report, plan design consultation, and investment option analysis at [garrett@kampstra-wm.com](mailto:garrett@kampstra-wm.com) or by calling 717-334-0097.

Securities offered through Triad Advisors, LLC, Member FINRA/SIPC. Advisory services offered through Triad Hybrid Solutions, LLC, a registered investment advisor. Kampstra Wealth Management and Triad Advisors, LLC are not affiliated.

## Employee Spotlight

We would like to take this moment to share some insightful details about two staff members here at Gray-Pilgrim. Both employees have been an influential members of the GPA team and we thank them for all that they contribute. Please take a few moments and engage in learning just a little but more about Phil Krum & Lacey Vadset.

One of our Staff Accountants here at GPA is our one and only Phil Krum. Phil has been a part of the GPA team for 3 magical years, expressing great commitment, his expressions of both charisma & compassion, and of course the frequent laugh or two. Phil studied at Pennsylvania College where he obtained his degree in accounting. He is a huge Washington football team fan, water skier/ boater, & expresses a great love for cars, boats and motorcycles. Phil enjoys spending free time surrounded by his family and friends while enjoying a nice cold beer. During his time here at GP.A, Phil expressed his joy of having the ability/ freedom to learn and strive to grow within the company. He shares that he appreciates the emphasis GPA makes to treat every client as family, sharing that his work ethics is influenced by “the emphasis of maintaining a very strong relationship with all of my clients, so that we never treat anyone like a number and make sure that everyone is important”. Phil shares that success is “Always giving 100% to any project you are working on and know you’ve given your best. Never look down on anyone unless you are admiring their shoes”. He expressed his goals as “Always keep learning and pushing forward to the future; Always striving to make GPA the best possible firm out there”.



Lacey Vadset is one of our tax preparers and payroll processors at GPA and has been for more than 2 years. During her engagement here at GPA, Lacey has developed such a family style relationship with all the staff. Her biggest influence to her work ethic is the Partners. Lacey expressed that she believes she is cared about as well as her wellbeing is always taken into the best interest. She is so proud to engage in the work set forth for her to complete, and shares her continued goals of learning all that she can; especially about taxes and tax preparation. Lacey defines success as happiness and the accomplishment of your goals”. She shares that “Change begins at the end of your comfort zone”. Lacey is adventurous, confident and a determined woman. She is newly married and has a 6-year-old daughter. She enjoys going hiking, hanging out with her family, watching football and enjoying time with her dog named Brage.



**Contact Us:**  
**Gray Pilgrim and Associates, LLC**  
**422 Epic Drive**  
**Chambersburg, PA 17201**  
**Phone: (717) 263-8713 Fax: (717)263-9435**

# Tax Organizers

With the up coming tax season approaching, we wanted to express the possibility of sending our tax organizers electronically. Each year we prepare your tax organizers accordingly, which can impact the turn around time in receiving this information.

We would be sending the invite via email, which will have all of the information found in your annual tax organizers. This will open further opportunities to request, upload, and delegate a more efficient method for your tax filing.

Below, we have included an area where we encourage you to fill out and submit back to us at your convenience. The enclosed form will need to be sent back to our office as soon as possible so that we can prepare the organizers accordingly.



**Preferred method of contact:**

Client Name: \_\_\_\_\_

Client Phone: (Home): \_\_\_\_\_ (Office): \_\_\_\_\_ (Cell): \_\_\_\_\_

Client Email: \_\_\_\_\_

Client Home Address : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Client Business Address : \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please Circle which method you will be utilizing for this upcoming tax preparation:

Electronic Copy

Paper copy

DropBox