

# CADS

## CHATTANOOGA AREA DENTAL SOCIETY NEWSLETTER

Volume XXX, Issue VIII

April 2020

<u>President</u>	<u>President-elect</u>	<u>Secretary</u>	<u>Treasurer</u>	<u>Executive Director</u>
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**April 14th has been cancelled,  
due COVID-19 closures and social distancing.**



We would like to thank  
both our  
ADA President-Elect,  
Dr. Roy Thompson and our  
TDA Executive Director,  
Mike Dvorak for being  
willing to be at our closing  
CE Lecture for the  
2019-2020 CADS Year.



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DENTAL SOCIETY

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month's Sponsors:**



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## Here is what you missed in March...



2 likes

flaxdental Enjoyed sharing new innovative ideas with @chattanoogaareadentalsociety last night. Fun running into my dental school classmate Dr. Tom Popp who is a wonderful orthodontist in Chattanooga, as well as, @rolanbond who came in from Chicago. Very appreciative of the support of our sponsors.



To keep our CADS Members up-to-date on the latest COVID-19 ADA info and CE Meetings, we are now working with **rhinogram**.

However, **we need your help**. Please text or email Rhonda with your mobile number.





## President's Message:

Hello CADS Members!

When this crisis is over, we are going to look back on this and realize the lessons we have learned. A bat in China has dentistry in Chattanooga shut down to only emergency care. I can't believe I just wrote that sentence and it is true. This current crisis has the feeling of y2k, 9-11, and 2008 all mixed into one. 6 months ago, I don't think anyone could have come up with a scenario where almost every dental employee was laid off. One thing about crisis and pandemics, they always come to an end and this one will as well.

This is going to end. What we do during this time is going to have a huge influence on how we come out of this. During this time focus your energy not looking out the rear window, rather look out the windshield and figure out how you're going to be positioned when this comes to an end. Take this time to do the CE that you always wanted to do and learn new things in dentistry. Figure out new equipment. Call a colleague who has a technology you want to include in your practice and enquire how they use it, how they implemented it in their office. Figure out if it is right for you. There are thousands of free webinars being given daily; find the ones that interest you and learn all you can during this time.

During this time of crisis, the ADA, TDA and CADS have worked to keep you informed on the legislation concerning the PPP bill and the disaster relief bills. I would like to thank local attorney Maury Nicely who has written us "Frequently Asked Questions" regarding what to do with our employees, how to understand the stimulus packages, and how they can benefit our local dentists. Many have said that has been a big help. I have asked our sponsor banks to write about what their banks are doing to help our members; their responses are included in this newsletter. HHM accounting firm has allowed our members free access to their webinar on the stimulus package. It goes into great detail on how to apply and have the loans forgiven. It looks like every practice will be able to take advantage of this. I hope everyone finds this information in this newsletter helpful as we wade forward through this.

This year has been a year of changes for CADS, we started off with a new website, new logo, new accountants. We are now able to put the newsletter online in archive on our website. The new website brought with it the ability to register for meetings online, making it easier than ever to attend monthly meetings. We have new lanyard name tags for the meetings. A new meeting venue at Chattanooga State was found, when the usual venue went through a remodel. We were able to add texting as a way to communicate better with our membership and now have a new dashboard for our executive director to communicate to us from one place, instead of chasing around from text, social media, telephone, email, snail mail etc. This new communication platform proved to be timely when the COVID-19 crisis hit.

I would like to specifically thank James Dugan for his work as programs chair. This is a big job, and James has done it amazingly well and brought in top notch speakers each month.

Dentistry is not just a profession it is a brotherhood of professionals both male and female. Since this crisis hit, I have been on the phone with dozens of you talking over strategies of how to best weather this storm. We have discussed what to do with staff and how to get best use of the government stimulus offerings. I have listened to the frustration about the unknown, and I have been listened to as I have vented about this situation. I have seen the profession pull together and help each other with ideas and help one another through this tragedy. The ADA, TDA and CADS have worked for the profession as a whole to get aid to dentists that need it to save their profession. Without organized dentistry, we would have been overlooked and it is doubtful any assistance would have come. I never in my life thought I would face a governor memorandum telling us we can only see emergencies; it still doesn't even seem real. But through my colleagues, I have found a way to look forward and know that together we will weather this storm, coming out of this stronger and better than we were when it all started. Keep your head up and eyes focused forward on how we are going to be positioned once we get to go back to normal life.

**Mark McOmie, DMD**  
**CADS President 2019 - 2020**



**Next CADS Board Meeting:**  
**April 20th at 6:00 p.m.**



## 2020-2021 Membership Lecture Dates

Registration and social hour begins at 5:30 pm, and lecture starts at 6:30 pm

Thursday, August 20th	<b>Dr. Sain – “Substance Use Disorder and Prescription Writing”</b> with Dr. David Sain, TDA Wellness Committee  LOCATION: TBD
Thursday, September 24th	<b>Staff Appreciation Dinner</b> Location: Dr. Craig Walker’s Farm

Thank you for a GREAT CADS year!



Thank you to **CADS New Dentist Rep**, Dr. Daniel Holsinger, for hosting our New Dentist Event. Everyone enjoyed a great night at Southside Social, thank you to our Event Sponsor **CREST**.





# Dental Practices – Employment Issues During the Coronavirus Pandemic

Maury Nicely, Esq.  
March 30, 2020



Good afternoon! This is the third “FAQ” intended to address the issues surrounding the appropriate employment response to the coronavirus outbreak.

Governor Bill Lee’s order precluding non-emergency dental practices continues at this time. That obviously creates a number of questions regarding the specific challenges faced by dental service providers.

Obviously, there is a lot going on right now, and changes are occurring almost daily. With that in mind, here are a few thoughts that are top of mind right now.

## FAQs – Employment Issues

*Remind me: when does the new rule providing employees with sick leave and expanded family and medical leave go into affect?*

The Families First Coronavirus Response ACT (FFCRA) take effect this Wednesday, April 1.

*Is the law retroactive?*

No. It is not retroactive, and employers are not required to provide leave sick leave or FMLA under this Act until that date. As a result, moreover, if you were already providing sick leave or FMLA under this new legislation, the clock will start over again on April 1, and you will not get credit for leave provided before that date.

*Are health care providers covered by the FFCRA?*

While this may be a moot point during periods of mandatory closure, the Act does include an exception for health care providers

It initially appeared that the term “health care provider” would be interpreted quite narrowly. In the new guidance, however, a health care provider is “anyone employed at any doctor’s office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility, nursing home, home health care provider, any facility that performs laboratory or medical testing, pharmacy, or any similar institution, employer, or entity. This includes any permanent or temporary institution, facility, location, or site where medical services are provided that are similar to such institutions.”

The ADA has asked that dental offices be exempted from the FFCRA. As of this date, however, no specific decision has been issued on that front. The above

definition, moreover, is not completely clear as to whether dental service providers would be covered under the definition of “health care providers,” although I think we would all agree that this may be the case.

*Right now, dental offices are closed except for emergency procedures; are employees eligible for sick leave or expanded FMLA when we are closed?*

No. Employees are only eligible for these benefits when work is available and they are unable to perform such work for the reasons covered by the new law. If your offices are completely closed, therefore, there is no work to stay home from. In such cases, employees should utilize paid time off (PTO) or consider applying for temporary unemployment benefits during the period of closure.

*Since you brought up unemployment, does the new cares act address unemployment benefits during temporary layoffs?*

Yes. First, the new CARES legislation, which was signed into law on Friday, provides that employees will receive an additional 13 weeks of potential benefits, a total of 39 – which is somewhat sobering, to think that the difficulties stemming from the coronavirus pandemic could last that long.

In monetary terms, the CARES Act provides for an additional \$600 of benefits per week for applicants. And the law does away, at least for purposes of the coronavirus outbreak, with the normal seven (7) day waiting period for benefits. With that in mind, if your employees are not working, this is a good time to consider unemployment benefits.

*If our employees are using PTO or otherwise being paid, are they eligible for unemployment?*

No. Employees may not “double dip” by receiving unemployment benefits while they are being paid. If, however, they are only receiving partial pay, they may be eligible for partial unemployment benefits. If, for example, your employees are coming to work one or two days a week to address emergency procedures, they should contemplate filing for partial unemployment due to the reduction in hours and wages at this time.

*(continues on next page)*



## **(cont.) Dental Practices – Employment Issues During the Coronavirus Pandemic**

*I keep hearing the taxpayers will receive checks from the federal government. Is there any truth to this?*

Yes and no. Under the CARES Act, taxpayers who reported (2018, or 2019 if they have filed this year) income of \$75,000 or less (\$150,000 for a married couple) will be entitled to a payment of \$1,200 – plus \$500 for each child living in the household.

Above \$75,000, the amount of the check is gradually phased out, and anyone earning over \$99,000 per year will not be eligible. Thus, while most dentists will not be eligible for this benefit, it could prove to be a welcome benefit for many dental employees.

*Is there anything our employees need to be doing to make sure that they receive this monetary payment?*

The IRS will be distributing these payments, and so employees will want to make sure that they are on the IRS radar screen. That is to say, if an individual did not file taxes in 2018 (or 2019), the employee will want to file a form with the IRS to make sure they are recognized. And employees who have moved since they last filed federal income taxes should file a change of address form with the agency, which can be found on the IRS website.

*OK, let's talk about the big topic of the moment: SBA loans. What's the story?*

This could prove to be the game changer. The CARES Act provides small businesses, which are defined as any business with less than 500 employees, with the opportunity to apply for SBA loans (referred to as a PPP loan) through SBA-approved lenders. You can receive up to 2.5 times your monthly payroll (calculated using the prior 12 months) to be used for various purposes. The loans are long-term (30 years), and the applicable interest rate is capped at 4%.

*That sounds pretty neat. Is that all?*

No, not at all. Here's the kicker.

If the proceeds of the loan are used for certain designated purposes, including payroll, mortgage interest, rent, or utilities, the amounts so used will be considered forgiven debt. Think of it as the closest thing I could describe to "free money."

*Wow! That may prove useful; anything we should be doing to prepare for that?*

Yes, there is. We are still waiting from some additional guidelines from the federal government as to how this will all work. In the meantime, however, it is probably a good time to touch base with your personal banker, assuming that they are approved to conduct SBA loans, and get on their radar screen. We expect a mad rush once this process begins, and it will be useful to make contact now. In addition, they can provide you with additional information as to the sorts of documents you should begin gathering so that you will be prepared when this goes live in the next couple of weeks, e.g., profit/loss statements, balance sheets, tax filings, and payroll records.

*My practice is really hurting financially. Is there anything I can do between now and the time that this SBA loan option becomes available?*

If you are up against the wall right now, Economic Injury Disaster Loans (EIDL), which are generally provided for disaster relief, are available now. These are also provided through the SBA. The EIDL can then be restructured into a PPP loan once they become available, hopefully within the next two weeks.

OK. That's a lot to take in right now. I hope this proves helpful and gives you some thoughts as to available options over the next couple of weeks. As always, let me know if this creates additional questions, or if you want to discuss further. Thanks, and stay well!

*Maury Nicely is an employment attorney with 20 years of practice in the Chattanooga, Tennessee area. He currently practices with the law firm of Evans Harrison Hackett PLLC. If you have questions, please feel free to reach out to Maury at 423-313-1705 or mnicely@ehhlaw.com.*



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Dear CADS Membership,

We're in unprecedented times as a nation. This is a time to lean on each other to get through this difficult period. As this month's sponsor, I thought it was important to highlight what we're doing at Pinnacle Bank to assist.

First, if there's ever a time to get to know your banker it's now. At Pinnacle Bank we're offering payment deferral assistance for essentially any loan you might have with us. The payment deferrals are for a 90 day period initially and can be extended for another 90 days if needed. We can either defer the full payment amount or just the principal portion depending on your needs. The interest does still accrue on the loan and I can discuss those details further if needed. If you haven't spoken to your bank/banker and are interested in deferring your loan payments I would strongly recommend you do that now.


Second, there are a couple of SBA sponsored programs that are available to assist through this period. The first program is the Economic Injury Disaster Loan (EIDL) which can be applied for directly thru the SBA. I've attached a fact sheet which can provide you more details. The second program which might be of more interest to this group is the Paycheck Protection Program. This is part of the CARES Act which was just approved last Friday. The details of the program haven't been released by the SBA yet, but we hope to have those soon. Attached is a fact sheet which will provide some details. Essentially loans can be up to 2.5x the borrower's average monthly payroll costs not to exceed \$10 million. This specific program will be handled directly thru an SBA approved bank/financial institution. Pinnacle Bank will absolutely be participating in this program. As we receive more guidance, I will be glad to pass that info along to Rhonda to be distributed to the group. As with all these type programs, I would recommend you discuss this with your accountant to get clarity and make sure you're in compliance.

Finally, Pinnacle Bank will continue to offer credit products that might can assist through this time. Not all of your financial needs can be met by the above mentioned options. I would recommend everybody have access to a line of credit to help bridge the gap. I will be glad to discuss this or any of the above if needed. Please don't hesitate to reach out to me at the contact info below.

Pinnacle Bank is your partner and we will be there to assist as we all work our way through this unprecedented period. WE will get through this together.

Sincerely,

**Jeff Carter**  
**Pinnacle Financial Partners**  
**Senior Vice President / Financial Advisor**  
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## SBA Payroll Protection Program Preliminary Document Checklist

The application for the Payroll Protection Program has not yet been developed, and even the SBA requirements are still to be determined. However, we expect the requirements and documentation to be similar to existing SBA programs, and Pinnacle financial advisors are experienced with the typical SBA processes.

Based on the intent of the loan program and the help it will provide, we recommend you start collecting this information and documentation now so you will be ready to apply. When the application becomes available, this will help us take action immediately. If you need help collecting this information, reach out to your financial advisor. Depending on when you last worked with us, we may have some of it on file.

<p><b>Needed to help you calculate the eligible loan amount:</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Payroll reports for 2019 and 2020 year to date showing the following broken down by employee and/or officers:             <ul style="list-style-type: none"> <li>• Gross wages</li> <li>• Paid time off</li> <li>• Paid vacation</li> <li>• Pay for family medical leave</li> <li>• State and local taxes (form 940, 941 or 944)</li> <li>• 1099s for independent contractors (if applicable)</li> </ul> </li> <li><input checked="" type="checkbox"/> Completed 2019 tax return OR 2019 Profit and Loss Report and Balance Sheet</li> <li><input checked="" type="checkbox"/> Filed 2018 Business Tax Return</li> <li><input checked="" type="checkbox"/> Documentation showing:             <ul style="list-style-type: none"> <li>• Funds received in the form of an Economic Injury Disaster Loan since Jan. 31, 2020, if any</li> <li>• Payments for group health care benefits including premiums paid in 2019 to 2020 year to date</li> <li>• Payment of any retirement benefits paid in 2019 and 2020 year to date</li> </ul> </li> </ul>	<p><b>Needed for verification of forgiveness amount:</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly IRS forms 940, 941 or 944 for the following dates:             <ul style="list-style-type: none"> <li>• March 31, 2019 and June 30, 2019</li> <li>• March 31, 2020 and June 30, 2020, when available</li> </ul> </li> <li><input checked="" type="checkbox"/> Documentation in the form of canceled checks, payment receipts and bank statements showing payment of the following items from Feb. 15, 2020 to June 30, 2020:             <ul style="list-style-type: none"> <li>• Mortgage Interest</li> <li>• Rent payments</li> <li>• Utilities</li> </ul> </li> </ul>
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Ron Jones  
Chattanooga City President

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### Thoughts from the front line:

As the COVID 19 issue continues to play out across the world, we are all tasked to ask the question "What is my part to help get through this crisis?" Even today (03/31) we are awaiting the final guidance from the SBA on part of the historic \$2.0+ trillion dollar stimulus package. The Paycheck Protection Program (known as PPP) has the goal of providing immediate working capital to businesses with the explicit goal of maintaining employment as the virus continues to effect main street companies. The most recent economic recession (2008-2009) taught (and in some cases re taught) me that TRANSPARENCY (with ourselves, employees, and financial partners) and LIQUIDITY are the two most important elements in our tool set.

Transparency begins by understanding and acknowledging the facts. Depending on the industry, revenues have declined precipitously. One helpful (I know it sounds old school) tool for EVERY business owner is to immediately create a 60-90-day cash flow budget. Cash flow budgets aren't concerned with level of profitability, but rather the timing and nature of cash movements IN and OUT of the business. Once the owner calculates this, it becomes apparent whether internally generated cash over the period exceeds the cash requirement.... or not. The integrity of the CASH IN items are always the most vulnerable area in the forecast....think about it, and attach a probability to (1) likelihood of some work continuing to be required by the customer, and (2) nature and reliability of the accounts receivables currently on the aging.

Your commercial banker can help you through this process, but in the end, the initial result HAS TO BE communicated clearly and concisely to any financial partners, including your financial institution. Your financial institution can then determine its part in providing any additional funding that is needed. Remember, there is NOTHING so unsettling to the financial institution as a client that can't, or won't, exhibit full transparency during times like these. No time to worry about hurt feelings or pride, hard data should be the primary basis for these discussions.

With the information, you can build a LIQUIDITY plan. Liquidity plan simply answers the question of how identified cash flow shortages will be funded. Sources include savings or cash balances, existing lines of credit (commercial or credit cards), and (maybe) letting your payables age out just a little bit. Make sure to communicate any delayed accounts payable plans with the vendor. Before the COVID-19 threat, it wasn't unusual to see companies turning their payables in less than 30 days. I am NOT advocating pushing payables out to extraordinarily long terms, like 90-120, but lengthening the turns DOES produce cash to your business. Your payments on debt should be included in your plan, whether it be modifying principal and interest payments to interest only or deferring them altogether for short periods of time.

My advice is to take the identified cash flow and double it, when determining your liquidity plans. Share your liquidity plan with your banker to ensure you both are on the same page. Having an identified liquidity plan and communicating it clearly to your financial partners should lessen everyone's anxiety and give you the highest probability for dealing successfully with this challenge.

**Last word:** You will want to update the forecast weekly or to the point where identified changes are constantly insignificant.



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CADS Members,

I wanted to provide information and hopefully assist in answering the question, “What do we do?” While this is informal, it is the best means for me to provide communication on a mass scale. I am going to share information on what SmartBank is providing for our clients as well as some information regarding the SBA Government backed loan programs. The SBA loan programs have not been finalized regarding terms, documentation requirements, and qualifications. We are updated with changes to the SBA programs multiple times each day so I am being guarded with how much info I share because it is subject to change at any time.

SmartBank, began our action plan for clients on March 16<sup>th</sup> with identifying clients who may experience an upcoming financial shortfall. Ultimately all of that conversation shifted to more of, who is *not* going to need assistance. We understand the volume of anxieties and fears and understand those things have elevated over the past few weeks. As a bank, we have made a decision to provide payment deferment options and interest-only payment options for clients experiencing a pinch. Two simple requirements to be approved for deferment or interest only payments include:

<b>Documentation Needed</b>
(1) Proof of decreased sales due to Corona Virus
(2) No 30+ day delinquency for 2019 & 2020



\*Proof of decreased sales can be a brief note via email – there’s no need to write a book on these – just please include all the necessary information (Current P&L and Balance sheet, if possible). I have to be able to answer the following on your behalf:

Why I believe the customer qualifies for this adjustment in terms.

Any other relevant data that you think supports their case for this adjustment.

For the SBA, I will share two loan programs; there is also some supporting documentation for the SBA loans in regards to what I am about to share. There are two directions with the SBA; “Paycheck Protection Program” (PPP) and “SBA Disaster Assistance in response to Corona Virus”. I will be able to offer both types of loans with one caveat; the SBA Disaster Assistance loan is handled 100% by the SBA from taking the application, to underwriting, to closing the loan. The best information I can share for the SBA Disaster Assistance program is attached.

The following are some details for the Paycheck Protection Program that copied from the American Bankers Association guidelines:

Establishes a Paycheck Protection Program (PPP):

- Provides 100% guaranteed loans to cover specific operating costs.
- The maximum loan size for borrowers is capped at the lesser of 250% of the average monthly payroll costs (with a lookback of one year or relevant period for seasonal businesses), or \$10 million.
- Includes a processing fee payable to lender within 5 days of loan disbursement, based on the loan’s size.
  - < \$350,000 = 5%
  - \$350,000 to \$2,000,000 = 3%
  - > \$2,000,000 = 1%
- Interest rate capped at 4%.
- A portion of any loan issued as part of the PPP, up to or equal to 8 weeks of covered expenses, will be forgiven by SBA and paid to the lender, plus interest.
- The remaining balance after forgiveness is maintained at the 100% guarantee for the duration of the loan.

These are the current options for SmartBank and SBA. I have spoken with many of you and I appreciate everyone’s patience as I navigate through everything. I want to communicate information properly and without revision to avoid future confusion. Initially, I would like to provide relief through the SmartBank channels (if possible) while the SBA finalizes things on their end.

All that said, please familiarize yourselves with the information in this email. I wanted this to be a conversation starter for us going into next week and I would like to create an action plan with each of you, so we will be in touch next week. I know there are questions and still many unknowns but I want to end with three things my family is practicing during this unprecedented time: 1. Faith over fear, 2. Surrender over control, and 3. Grace over conflict.

**Tony Pereira** | Vice President | Relationship Manager | NMLS #449848

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CERTIFIED PUBLIC ACCOUNTANTS

CADS Members,

We did a webinar yesterday on the CARES Act and the SBA 7(a) loan. Here is a link to the rebroadcast of it on YouTube. You are welcome to share it with the members. It is extremely informative.

<https://www.youtube.com/watch?v=AvrMUpVrd70&feature=youtu.be&t=14>

We also have a team in place that can assist clients with the SBA 7(a) loan application filing process and assist with the follow up documentation to help substantiate the amount of any loan forgiveness someone might be entitled to.

Feel free to have your community contact me.

Thank you,

**George Wilmoth, CPA/PFS, MST, CGMA**

**Henderson Hutcherson & McCullough, PLLC**

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