

COVID-19 Action Plan



**We are here to talk, free of charge
let us be a resource**

To Practice Owners Everywhere.

With this unprecedented pandemic of Coronavirus resulting in the imminent closure of dental offices for some temporary yet undetermined amount of time, we find it necessary to issue our clients guidance on necessary actions to take to protect the longevity of your business through this event, as well as through the recovery.

We hope for the best, but we must plan for the worst. We do not know how long this is going to last. It is critical to take the right steps in the beginning, because you can always make a different decision as you go forward, but also plan with the end in mind...the recovery.

Timeline

It is our opinion that your practices will be under mandated closure in the very near future. It is also our opinion that this quarantine will last at least 2 months. Kids will not be returning to schools to finish the school year. This puts us into late May before possible re-opening, and it could be longer. So we are advising based on our opinion of this lasting 2-4 months and what we know about the financial health of dental practices and how long they can make it.

It is our opinion that you need to assess your situation and determine if you want to stay open for emergencies only, or fully close your doors preemptively to preserve your finances and prepare the business to be able to open when the recovery begins. This is not only a healthcare and safety decision, but a financial decision for your business.

If you have multiple office locations, you may want to consolidate to only one being open.

If you want to stay open for emergencies, you may want to consolidate staff into a "skeleton crew" of your best employees. For one doctor, you may need 2 assistants, 1 front desk to continue to manage phones, and potentially 1 person to manage insurance processing & accounts receivable.

While we cannot make the call for you, and while you must assess the public health risk that your office being open creates, it is our opinion that you must act quickly to decide which way you will go, and we are formally advising practice owners to begin laying off employees now in order to preserve the business so that everyone will have jobs to come back to. It is a temporary layoff due to temporary business closure.

Collections From Dental Insurance

While we believe your insurance-patients are the most insulated recare patients during any economic recession, the recovery will take time for patients to return for treatment, especially if it requires out-of-pocket expense when they are holding onto their disposable dollars more tightly.

We predict that dental insurance companies may experience a lag in processing and paying claims right now as well. You will need an employee working to stay on top of insurance collections. The emergencies you do see, we recommend you have patients pay 100% out-of-pocket and set assignment of benefits to the patient. There could be the possibility that insurance does not pay for months. There is also the probability that patients will lose dental insurance benefits as they also experience layoffs, in which case insurance companies may come chasing after the money paid out and wanting it back. The insurance company cannot recapture the money from you if the check is in the patient's name.

EMPLOYEES.

CRITICAL DATE: April 2, 2020

The Families First Coronavirus Response Act (FFCRA) is an emergency bill that was signed into law by President Trump on March 18, 2020, and it will take effect 15 days after, on April 2, 2020.

READ THIS: [Click Here](#)

Today, you are in control of decisions in terms of who you pay and how much. After the bill takes effect as a law, you will be required to comply with these regulations.

You will need to lay off your employees on or before April 1, 2020 to be in control of your required cash outlay for employees. You can always re-hire them as work resumes.

If you were paying health insurance premiums for them before, continue to do so.

At the very least contact your health insurance broker to help trigger COBRA.

All coronavirus related treatment will be covered by insurance, but we don't want team members left with a gap in health insurance for other medical issues

Meet or communicate with your employees that you are temporarily closing the practice to help reduce the spread, and also to preserve the business so they all have jobs to come back to. We will all be affected and go through this together. We will get through it. And we will be stronger after experiencing it. But we must prepare. You will likely find your team members are more understanding than you think.

Establish a Communication Plan with your team to update them on events and future planning. Those teams that are prepared and know which patients are waiting and wanting to come back in for treatment will benefit the most.

CENSUS:

Update your company Census Report and add columns for (1) Date You Sent Letter Out to Employees, and (2) Date They Returned to Work DOCUMENT! DOCUMENT! DOCUMENT!

CEDR HR Solutions: Practical Guidance for Employers Handling the Coronavirus

[Click Here](#)

US Dept. of Labor COVID-19 Workplace Poster

[Click Here](#)

US Dept. of Labor providing further info on FFCRA

[Click Here](#)

Employee Layoff Letter TEMPLATE

Needs to be delivered in-person if possible. But under these circumstances if you are in shelter in-place or can't meet with all employees, it can be emailed. Ask for acknowledgement of receipt from your employees! See below:

Memorandum to the Team

To:
From: Management
Date:
Regarding: Coronavirus (COVID-19)

As we have tracked the status of the coronavirus pandemic, it has become clear that we are likely going to need more time than initially anticipated to recover from its impact on our business and community. Therefore, if we delay the decisions we are making today, the length of time it will take for things to return to normal will only be longer. We have made the difficult decision to issue a stop-work and layoff/furlough of **our entire team / most of our team**. As you are aware, many of our offices fall within the most recent shelter in place order, which means we are left with no choice but to shut down all non-essential emergency procedures for those locations.

[IMPORTANT NOTE ABOUT HEALTH INSURANCE: If you want health insurance coverage to continue while your business is closed, we highly recommend contacting your health plan administrator or broker for individual guidance before making that promise. Health plans are reporting different things about whether the term "layoff" or "furlough" would be a COBRA-triggering event versus allowing coverage to continue. Once you figure this out, we recommend that you inform employees as to how long and or how much you intend to cover their insurance. As of 3/19/20, there was no guidance from the federal or state authorities. We are hoping for legislation to address the issue. Please check our website at for any updates <https://www.cedrsolutions.com/healthcare/employer-coronavirus-guide/>

Taking that into account, at this time, it is in the best interests of both our team, patients, and community if we cease non-essential services across all locations for the foreseeable future to reduce the risk of exposure for everyone. We hope to be able to resume regular business operations in the future, but like you, we do not know when that will be. We do understand the impact on you and the rest of the team. Please rest assured that we will be planning for our comeback, and at this time, our goal is to bring everyone back to work at some point. We will maintain communication with you about our plans. We will also do our best to forward any information we receive about other government resources being made available.

Note: You may want to establish a regular meeting method and time each week. For example, we will send a Zoom meeting request via email and meet every Wednesday at 9 AM. Or create a conference call line.

We have enclosed with this letter your final paycheck/will run payroll as scheduled, which includes a payout for any remaining accrued paid time off. We encourage you to apply for unemployment immediately. Even if you work part-time, please consider applying now. At this time, federal and state authorities are working to make unemployment benefits more comprehensive, easier to apply for, and have removed barriers like wait times and requirements that you look for work. While we cannot make any guarantees about how your unemployment claim may be processed or the outcome of any application filed, we do want you to know that this is a resource you have through our state. You will not be discouraged from filing or retaliated against if you do choose to file.

You remain eligible for rehire. When the time comes for us to start resuming business, we will reach out to bring people back on per the business demand and needs. Again, this is not something we ever envisioned having to do. We know some of you will have questions. Please direct your questions to _____, in the following manner _____ and be patient as we gather more information and provide answers to the best of our ability.

Sincerely,

EMPLOYEE RIGHTS

PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

► PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees:

Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- ⅔ for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 12 weeks of paid sick leave and expanded family and medical leave paid at ⅓ for qualifying reason #5 below for up to \$200 daily and \$12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

► ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). *Employees who have been employed for at least 30 days* prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.

► QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19

An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to **telework**, because the employee:

- | | |
|---|---|
| <ol style="list-style-type: none">1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;2. has been advised by a health care provider to self-quarantine related to COVID-19;3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); | <ol style="list-style-type: none">5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services. |
|---|---|

► ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.



WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

For additional information
or to file a complaint:
1-866-487-9243
TTY: 1-877-889-5627
dol.gov/agencies/whd



WH1422 REV 03/20

Unemployment Insurance Filing

- Once your employees are laid off, you need to help all of your employees to apply for Unemployment NOW!
- You have been paying a small % of your payroll in taxes to the fund in your state ever since you have been open. It's time to take advantage of that.
- It was in the bill to send down billions of dollars earmarked specifically for Unemployment Insurance benefits to the state. The federal government doesn't administer unemployment. The state are responsible for it. So they just sent the money down and signaled, "here's a bunch of cash, and by the way, people are about to file for unemployment benefits."
- Your team will need to notify the state's Unemployment Office that they've been laid off. They will be asked, how many hours did you work normally? Tell them. They might check in to verify that. If the employee can go back to work part-time during the recovery, they could go back to the unemployment office and still collect partial benefits.
- Start this process early! Lay them off so they can apply for full unemployment first, then you can bring them back for partial hours later.

Can the Owner-Doctors themselves file for Unemployment?

- If S-Corp or C-Corp, did they check the box to exempt from SUI (State Unemployment Insurance)?
- Contact Unemployment Insurance division and look at your specific case to see if you included yourself
 - Or look at your payroll register for "SUI" withholdings
- If you included yourself (which we predict most did not), you should be eligible
- Unsure if you can claim unemployment if you have other legal entity. Varies state by state.

What if Owner-Doctors want to continue paying employees?

- Be careful! Phase 3 may require you to pay something that you will not be required to pay or doesn't qualify for Tax Credit that may not be available.
- If you have to comply with an order, and you have to pay 2 weeks sick leave or time off, then you would be eligible for tax credits but it is uncertain when you will actually get it.
- May receive tax credits for lost production but we are unsure if you can apply for both tax credits and unemployment. Most likely, you cannot double-dip.

Resources

State Labor Offices

[Click Here](#)

Where Can I Find My State's COVID-19 Employer Resource Website?

[Click Here](#)

If you lose your job due to the coronavirus pandemic, here's how to navigate filing for unemployment

[Click Here](#)

ADP Employment Tax Guide: State Agency Status in Response to COVID-19

[Click Here](#)

Tax Credits

- Tax credit does not pay you back - it is reimbursement for Payroll Taxes
- You have to pay wages out and be out the money first
- Then you will receive a payroll tax credit. We believe it will be part of the Form 941 quarterly payroll return. June 30 quarter end. Due July 31. You will apply the tax credit against matching social security taxes on quarterly return. Money would not come back until sometime in August, at earliest.
- Will the Owner be able to qualify for tax credit back on their own payroll?
 - We won't know until April 2 when the FFCRA law goes into effect

FFCRA Tax Credit Information from IRS

[Click Here](#)

- The CARES Act (see next) would give employers a tax credit against employment taxes equal to 50% of qualified wages paid to employees who are not working due to the employer's full or partial cessation of business or a significant decline in gross receipts.
- This credit applies to wages paid after March 12, 2020 and before January 1, 2021.
- Amount of wages, including health benefits, for which the credit can be claimed is limited to \$10,000 per employee for the year.
- Obviously, this is a credit against 2020 and not direct cash payment.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Economic Relief Plan

CARES Act Tax Briefing: [Click Here](#)

The CARES Act is currently being formed in Congress and we await clarity on what it will offer or mandate. Here's what we think so far:

- For any employees you keep employed beyond 4/1/2020, this act will outline if and how employers receive relief from the government
- The government will be offering small businesses a loan backed by the Small Business Administration (SBA)
 - Loans will be calculated based on your business's 12-month average monthly payroll+benefits.
 - The loans are said to be 2.5 times the 12-month average
 - The loans have a forgiveness provision if the proceeds are rigorously tracked and used only for certain expenses relating to employees.

It is our opinion that this includes a lot of "red tape" and will require getting a lot of additional paperwork, documentation, and providing proof to get your loan or loan forgiveness. And who knows how long it might take the government to deliver funds to businesses? 4 to 6 weeks? If this closure or emergency-only time lasts beyond 2.5 months, then what? This is why we are not even in favor of this option.

If you still choose to pursue this option, use this down time wisely to begin gathering all of the possible documentation that may be requested of you: (next page)

For Employees Kept on Staff

Salary Exempt

- Paid same amount, not paid overtime (Office Manager as an example)
- Can't Reduce Hourly Rate
- Have to reclassify to hourly employee and will be paid by the hour until you return to normal

Salary Non-Exempt

- Paid fixed salary but paid overtime for the over 40 hours
- Can reduce hours and lower pay- have to notify no won hourly wage

Associate Doctors classified as 1099 Independent Contractors

- Different part of the tax bill for IC's

Associate Doctors classified as W-2 Employees

- Fall outside the Fair Labor Standards Act (FLSA)
- Can reduce their guaranteed base salary on number of days worked

Office Manager

- Typically they are paid on a fixed salary arrangement & they are exempt
- Reclassify as hourly employee and pay negotiated wage. But do not flip-flop back and forth

Commissions for Hygienists or Doctors

- If your providers have earned bonus or incentive compensation and you owe it to them
- Be cautious about loaning money to staff
- Be careful about advancing draws to associate doctors
- Recommend employee take loan from 401(k) if plan permits

PTO

- If employee doesn't want to use PTO and wants you to hold it you will eventually have to pay it out. You don't have to reissue paperwork if you lay off people and then rehire
- Big liability if you make sick employees come in to the practice

Health Insurance

- For now, contact your broker & inform them of your plan
- Leave health insurance in place for now so we can wait for new legislation.

- Payroll Data (Employee Earnings Reports) for the last 12 months. If you run payroll internally yourself, you are on your own to create these. If you use a provider like ADP, Paychex, Paylocity, etc. then reach out to your provider. Ask for the following in particular:
 - Gross wages paid to each & every employee, including the associate doctor(s) and doctor-owner(s) if they take payroll
 - Paid time off (PTO), vacation pay, and family medical leave (FMLA) you paid out over 12-month period for each employee
 - State & local taxes assessed on each employee's compensation over 12-month period
- 1099 data for 2019 issued to any non-employees (not for your vendors but for people considered part of your practices like any independent contractor dentists). Ask your accountant for this
- Total health insurance premiums paid by the employer for all staff employees, associates, and owner-doctor(s) over 12-month period. Ask your health insurance broker for this.
- Total retirement plan funding of 401(k) plan, Profit Sharing Plan, Defined Benefit Plan, Cash-Balance Plan, SIMPLE IRA plan, SEP IRA plan, etc. that came from the employer over 12-month period. Do not include any employee contributions! Ask your investment advisor for this.

Financial: Managing Business **Cash** **Flow** During A Crisis

- Personal expense reduction first, business expense reduction second.
- Temporarily conserve your cash.
- Pay minimums on any required debts.
- Discontinue payroll for the owner-doctor(s), spouse, and any children
 - Any money you need personally, take distributions/draws from the business.
 - This will reduce payroll taxes, federal & state taxes, and 401(k) contributions.
 - You can make these up later in the year if desired.
- Suspend automatic contributions to 401(k) plans, Profit-Sharing Plans, & Defined Benefit Plans
- Obviously, look through your regular business expenses to see what you can cut or decrease, such as supply orders on only the essentials.
- Contact your vendors and use any available timelines allowed by vendors to delay payments (i.e. Invisalign usually allows 90 days to pay).
- Contact your landlord, supply companies, and lab companies about payment options during the time the practice has limited operations. Work with them, and they should work with you.
- Live on credit cards for several months if you have must. Pay the minimums. When this is over, you can either pay the balances off or at least transfer them to a 0% balance transfer to another card to buy you time. Make sure you have these options open and available to you.

Financial: Managing Business **Debt** During A Crisis

Contact all your lenders on both practice loans & commercial real estate loans to ask for options on deferring payments.

- Most major lenders have announced they will be deferring payments for 90 days. Use this as leverage with your banks.
- Here's exactly what banks are offering to do to help Americans affected by coronavirus:

[Click Here](#)

It might be an opportune time for you to re-structure and refinance your existing loans. We have seen some loans approved as low as 2.95%

- Contact your credit card companies to inquire if you can skip payments with no penalties or interest.
- Ask if they will lower your APR rate to help with survival and recovery from this event.
- Inquire about your cash advance options and the interest rates on that. Negotiate low rates.
- If necessary, you may be eligible to sign up for an SBA Disaster Relief Loan
 - This will require updated financials and proving financial loss. See more in sections below.

Monitor Your Credit Score periodically to see if it is being adversely affected.

Financial: Managing Liquidity

Resources During A Crisis

Lines of Credit – these can be closed by your bank at any time. You may want to max them out and deposit the cash in your bank account if the closure period is longer than expected. If you don't have a line of credit, contact your bank to see if they will extend one to you.

401(k) Loans – if you have not already done so, and if you have available 401(k) funds, now is the time to determine the following:

- Does my plan allow for 401(k) loans?
 - If no, you can amend the plan to allow for it.
- Does it allow for the max loan?
- This is 50% of your balance, up to \$50,000, whichever is less, per person.
- If no, you can amend the plan to allow for it.
- Does it allow for maximum payback period, which is 5 years.
- If no, you can amend the plan to allow for it.
- What is the loan interest rate? (typically 4-6%)
- This is a loan from yourself. It must be paid back with interest. By law, 100% of that interest goes back to your account. With the volatility of the stock market, this portion of your 401(k) would have a fixed, guaranteed, compound rate of return.
- A \$50,000 loan would require roughly \$1,000/month payment back into your 401(k). This can be made either through your payroll withholdings, or by personal check.
- If your company plan is a SIMPLE IRA, as long as it's been in place for 2 years or more, you can transfer these funds into 401(k) accounts, shut down the SIMPLE, and set up to borrow from the 401(k). You cannot borrow from any retirement accounts other than a 401(k).

Personal After-Tax Investment (Brokerage) Accounts – work with your financial advisor to determine if any “tax loss harvesting” can be accomplished to help you liquidate investments by having gains offset losses, to avoid capital gains tax, and pull money from these accounts if needed

ROTH IRA's – if you have to cash out a ROTH IRA, there are no taxes due on anything up to the amount you contributed into the account because all contributions were after-tax already. The only requirement to get this money “out of jail” is you would pay a 10% early withdrawal penalty (if you are under Age 59 ½) on only the Gains you have made.

- Example: if over the years you contributed \$50,000 into a ROTH IRA, and today's balance is \$70,000, to cash it out you would owe 10% X \$20,000 Gain = \$2,000 to get the money out

The CARES Act is also waiving the 10% early withdrawal penalty on early withdrawals (before Age 59 ½) up to \$100,000 from qualified retirement plans in 2020 calendar year for coronavirus-related distributions. Coronavirus-related distributions are defined as to an individual (or spouse of an individual) diagnosed with COVID-19 with a CDC-approved test, or to an individual who experiences adverse financial consequences as a result of quarantine, business closure, layoff, or reduced hours due to the virus. Any income attributable to an early withdrawal is subject to tax over a three-year period, and taxpayers may recontribute the withdrawn amounts to a qualified retirement plan without regard to annual caps on contributions made within three years.

Financial: **Insurance Resources**

Personal Disability Insurance – if you personally become injured or sick from illness (including COVID-19) for an extended period of time, you may be eligible to file a claim on your long-term disability insurance policy, if you meet the applicable waiting period (usually 90 days since you were first diagnosed and your personal income was affected). If the illness impacts your ability to perform the material and substantial duties of your occupation of dentistry, then you should file a claim on your disability income insurance policy.

- In most cases, what we are experiencing with loss of business revenue due to COVID-19, less patient appointments, and voluntary or mandated business closure, this policy is not directly applicable for a claim. You, the insured, must experience an injury or illness that directly impacts your ability to perform your occupational duties.

Business Overhead Disability Insurance –if you personally become injured or sick from illness (including COVID-19) for an extended period of time, unable to perform the material and substantial duties of your occupation as a dental professional, and your business revenue is impacted as a result, you may be eligible to file a claim on your business overhead expense disability insurance policy. Applicable waiting periods on these contracts are 30 days – 90 days, and hopefully you have selected the shortest 30 day waiting period. The policy would pay up to a maximum \$50,000/month if you purchased that much, and would pay for up to 12 months – 24 months benefit period, depending on what you elected

- In most cases, what we are experiencing with loss of business revenue do to COVID-19, less patient appointments, and voluntary or mandated business closure, this policy is not directly applicable for a claim. You, the insured, must experience an injury or illness that directly impacts your ability to perform your occupational duties

Business Interruption Insurance–the business interruption clause of a Business Owners Policy (BOP) is a property & casualty insurance you may own that is meant to kick in when disaster strikes to pay cash to make up for lost revenue when a business has to halt operations unexpectedly. A close relative, contingent business interruption insurance, kicks in when shutdown is at a supplier of the insured company

- At first glance, those might seem perfect for the current pandemic, which has caused quarantines and shut down factories in China, severed links in supply chains and disrupted business activity for hundreds of companies. But those policies almost always cite “direct physical loss or damage” as a requirement to get a payment.
- Quarantines and travel bans can make it just as impossible for workers to do their jobs as destruction from a fire, flood or earthquake, but do not cause the physical damage to workplaces that is necessary to trigger successful business interruption claims.
- These policies were more permissive in the past, but after other viral pandemics – such as SARS in 2003, Ebola in 2014, and Zika most recently in 2015 – insurance companies realized claims of this nature could become unmanageable and have taken steps to exclude epidemics, pandemics, or virus-related losses.

Workers Compensation Insurance– If an employee becomes sick from the COVID-19 virus due to an exposure on the job, then that illness may be covered by a worker's compensation policy.

Cyber Liability Insurance During a time of closure, many companies are preyed upon during a time of weakness. On March 16, 2020 it was discovered that the US Health & Human Services Dept. (HHS) had suffered a cyber-attack on its computer system. Healthcare has always been under attack to try and get to people's private identification information. Private healthcare like dentistry is under continuous attacks and generally more susceptible because private business owners aren't aware or think it won't happen to them

- Our firm has already been informed by 2 clients that a cyber attack was attempted in March
- It is advised you maintain this coverage or add it if you don't already have it

Unemployment Insurance - as mentioned previously in this document, you as the business owner have paid premiums into this shared insurance program in your state for events just like this one. You have legitimate claims due to unintended layoffs due to unforeseen business closure.

- This is the best financial resource your business and your employees have to help replace incomes during this time.

SBA Disaster Relief Loan

[Click Here for SBA Disaster Assistance Article](#)

- [And here for their article on COVID-19](#)
- Here's exactly what banks are offering to do to help Americans affected by the Coronavirus
 - [Click Here](#)

Sign the ADA petition to urge Congress to include dentists in COVID-19 relief packages.

The ADA is asking Congress to help dentists with loans, student loan debt deferrals, deferring or eliminating payroll taxes, and other business-related relief. Please sign the petition at the following link and urge your colleagues to do the same

- [Click Here To Sign the Petition](#)

Taxes

- 2019 Federal Income Tax Return filing & payment deadline has been extended from April 15, 2020 to July 15, 2020
- Most states are following suit with these federal deadlines, but confirm with your CPA about your state
 - [Click Here to View State Tax Relief Policies](#)
- 2020 Q1 quarterly estimated tax payment deadline has been extended to July 15, 2020
- However, the Q2 June 15th payment has not been extended yet
- Any 2019 tax payments due we are recommending delay paying until July 15, 2020 to keep cash resources available to you through this time

Additional IRS Resources:

- <https://www.irs.gov/coronavirus>
- <https://www.irs.gov/businesses/small-businesses-self-employed/state-government-websites>

What To Do While Closed

Plenty to do! Don't waste this unplanned abundance of time you will have to work ON your business while you can't work IN your business!

- Review your entire employee handbook to make any necessary changes as a result of what we learn from this event.
- Potentially create videos to use for training
- Review historical Profit & Loss Statements to begin forecasting how and when you will be able to ramp back up production. [Pro-Fi 20/20 CPAs has a tool for this!](#)
- Set your sights now on making your 2020 4th Quarter the strongest Q4 in your company's history!
- Detail out your employee and patient communication plan.
 - You will likely know a couple weeks in advance of when you will be able to reopen.
 - We are predicting you will experience the current emergency-procedures-only period now, then a complete shutdown at some point, then the recovery will begin with emergency-procedures-only again, and then elective procedures will eventually be allowed. Communicate these updates to your team and patient base as they happen.
- Review all employees, their positions/roles/responsibilities, and their compensation arrangement. This is a great opportunity to correct the less profitable arrangements made in the past. After laying them off, you rehire them like a new hire. All contracts are subject to renegotiation under a totally new employment agreement. We are predicting that we are already in the beginning of a recession, jobs will become scarcer, and it will be an "employer's market" again to attract better talent and negotiate better financial arrangements. Those businesses who re-open will hold the cards.

- Review all documented systems and processes. Improve upon what is already in place. Create new documentation of systems in how you want them to be run when you come back.
- Complete as much CE as possible online or through attending webinars so it doesn't consume valuable time in Q3/Q4
- Read as many books on Finance, Business, Leadership, Influence, Communication, etc. that you can.

Planning For The Future

This kind of pandemic crisis was unprecedented. But now that it's happened, we have to learn from it and be prepared that it could very well happen again in our lifetimes. Those who do not heed this warning may perish next time and there will not be as much for forgiveness or to bail you out

Financially, we believe there are huge lessons for everyone to learn through this crisis.

Debt = Decay. The first step you take in dentistry is to eradicate decay. You should become more motivated than ever before to eliminate the debt/decay in your business! It should take higher priority than your investing in retirement accounts that you have no control over.

Emergency Cash Savings – if you can agree that it is basic fundamental personal financial planning advice to save 3-6 months of living expenses in a cash savings account for emergencies or losing your income, why should it be any different in the business?! Banks and lenders liked to see 1.5 months of business expenses held in cash in your bank account. Most of dentistry didn't have that!

And now we hope everyone realizes that even that was not enough! The business needs minimum 3, up to 6 months (or more if you like), held aside in reserves.

Profit Matters! If a business ceases to have profit, it ceases to exist. Those with profit held in reserves will weather this storm, even when revenue/collections take a significant hit. So many employed people and patients will be displaced because of this, because their dental practice was not financially responsible or prepared to handle this. Now is the opportunity to correct that.

Pro-Fi 20/20, CPAs is soon to be a certified Profit First Professionals firm. If you have not read the book Profit First by Mike Michalowicz, email us at info@profi2020.com and we will mail you a free copy.

Dentistry as we know it may change. In light of this aerosol virus, and the high-speed dental hand-piece being air-driven that can spread airborne infections, we could see changes we can't even think of yet. It could come to be that hygiene prophies and SRP's are even performed differently. Our firm will leave that to the health experts in the dental field to manage those changes. But we want our clients to prepare that they could incur financial changes to update things or revenue models might change altogether.

For Questions

Pro-Fi 20/20, CPAs offers a FREE FINANCIAL REVIEW to any doctor who wants to learn more about the financial side of their business, and how understanding their numbers can do far more than keep you ready for disaster.

Whether you are a current client or not, we will schedule a free call with any doctor who is having trouble, financial or otherwise, dealing with this crisis. It is important to have guidance through times like this, and we are always happy to help.

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Brent Saunier, CPA

Managing Partner

Brent has worked in dental accounting for 12 years and has devoted his career to providing sound proactive tax advice to dental practice owners.



Chris Sands

Partner, Strategic Growth

Chris has worked in a dental practice himself and specializes in helping practice owners plan for strategic growth while effectively managing their risk.

