



# BEACON HILL

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## Course Information

### Course Title:

*PPP Loans and Forgiveness: Accounting and Financial Reporting Issues* # 313822

### Recommended number of continuing education credit hours for this course:

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

### CPA: 2 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

## Course Description

The objective of this course is to inform the reader of the accounting and financial reporting issues related to the receipt and forgiveness of loans received under the Paycheck Protection Program (PPP), including 2021 first and second-draw loans.

Topics include: Understanding the basic rules for PPP loans; a review of how PPP loans should be accounted for under GAAP; accounting for the treatment of PPP loans as debt; how to account for debt issuance costs; accounting for forgiveness of debt; presentation of eligible expenses; presentation of PPP loan transactions on the statement of cash flows; disclosures required for PPP loans; accounting for advances received under the Economic Injury Disaster Loan (EIDL); accounting for PPP loans as grants; CPA independence issues when there is involvement in PPP loan transactions; accountant and auditor reporting issues and use of an emphasis-of-matter paragraph in reports; and more.

**Program Delivery Method:** QAS Self-Study (interactive)

**Subject Codes/Field of Study:** Accounting

### **Course Level, Prerequisites, and Advance Preparation Requirements**

Level of knowledge: Overview

Prerequisite: General understanding of accounting, financial reporting, auditing and compilation and review standards

Advance Preparation: None

### **Course Content**

Course publication/revision date: 11/7/2021

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): ten multiple-choice questions

### **Instructions for taking this course**

**Note:** Downloading the PDF of this course will enable Bookmarks for easier navigation (on the left side of the document window, open the bookmarks pane).

A passing grade of at least 70% is required on the final exam for this course. The exam may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page and studying the review questions after each major section (or chapter) in the text. Once you are confident that the learning objectives have been met, answer the final exam questions (online).

### **Instructions for Taking the Online Exam**

**Login to your account online at [www.bhfe.com](http://www.bhfe.com). Go to My Account to access the exam.**

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
- For a printed copy of the exam questions, press "Print Exam" (green button located at the bottom of page one of the online exam).

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## **Learning Objectives**

After reading the course material, you will be able to:

- Identify some of the eligible expenses related to use of PPP loan proceeds
- Recognize approaches to account for PPP loans under GAAP
- Recall how to present debt issuance costs on the financial statements
- Recognize how to account for PPP loan forgiveness
- Recognize how to present a gain on extinguishment on the statement of cash flows
- Identify how to treat the forgiveness of a PPP loan for tax purposes
- Recognize how the IAS 20 grant approach is used to account for its PPP loan
- Recognize actions that impact a CPA's independence in a PPP loan assistance engagement

- Recall some of the rules pertaining to a CPA receiving an agent fee from a PPP loan lender, and
- Identify whether an emphasis-of-matter paragraph may be used in an accountant's report when there is a forgiveness of a PPP loan

## **Author Profile**

### **STEVEN C. FUSTOLO, CPA**

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company and Director of the National Tax Institute, Inc. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles are regularly featured in *The Practical Accountant* and other publications. He is the author of *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, and *FASB, SSARS and SAS Update and Review* and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH). He is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to receive accolades and is regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the author and sponsor are not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought-- *From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.*

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