



AICPA URGES CONGRESS TO EXTEND PPP DEADLINE

From the Journal of Accountancy by Jeff Drew

The American Institute of Certified Public Accountants (AICPA) called on Congress to extend the application period for the Paycheck Protection Program (PPP) by at least 60 days.

The current deadline for PPP applications is March 31, but many applications have run into problems in the U.S. Small Business Administration's (SBA's) PPP processing platform, which has refused to accept some applications due to system problems and has caught thousands of other applications in validation checks designed to prevent fraudulent applications from being approved. These validation checks can produce dozens of [different error codes](#), many of which require significant manual labor on the part of lenders and borrowers to rectify.

"The PPP process issues are many," Barry Melancon, CPA, CGMA, AICPA president and CEO, said in a press release Tuesday, March 2. "It is well documented that small businesses, nonprofits, and the CPAs who advise them are experiencing error codes when submitting a PPP loan application. We continue to provide input to the [SBA] about these problems and are hopeful more progress will be made soon."

Adding to the stress is [an announcement](#) the administration of President Joe Biden made Feb. 22 saying that the PPP loan calculation formula for sole proprietors, self-employed individuals, and independent contractors would be changed to help those individuals receive more financial support. The SBA has yet to release guidance detailing those changes, though it is expected to do so this week.

The Biden administration also said in its release that the SBA would accept PPP applicants only from businesses with fewer than 20 employees during a two-week period that started Feb. 24 and ends March 9.

"We applaud the Biden administration's efforts to make PPP more inclusive and accessible to underserved businesses," Melancon said. "However, these changes make it even harder for the smallest business entities — the self-employed and independent contractors — to meet the March 31 deadline."

Despite the processing issues, the SBA approved almost [2.2 million PPP loans](#) for a total of \$156 billion from the program's reopening on Jan. 11 through Feb. 28. Congress allocated \$284.5 billion to the program in the [Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act](#).

The [American Rescue Plan Act](#) of 2021, H.R. 1319, which is under consideration in the Senate after being passed by the House early Feb. 27, provides \$7.25 billion more in PPP funds but does not extend the March 31 deadline. The AICPA recommended in its release that Congress extend the deadline in a separate vote.