

## **April Tax-Smart Dental Practice Management Strategy**

Although today may be April Fools' Day, this email is no joke.

Since the coronavirus pandemic hit last year, we have done our very best to provide you with timely updates and guidance on the ever-changing tax laws and SBA loans and grants.

Many of our dental clients have been asking us questions about the Health and Human Services (HHS) Provider Relief Fund, which has been distributing \$178 billion to hospitals and healthcare providers to help them handle the added expenses and lost revenue from the coronavirus pandemic.

As a CPA firm that specializes in dental practices, our focus is on the tax and Small Business Administration programs that are available to help support your practice. As a result, the HHS program is not one of the areas we can advise you on. ***With that said, we still want to provide you with some basic guidance in this area, so you don't make any major mistakes when applying and meeting the reporting requirements under this program.***

***As has been the case for most other COVID-related grant and loan programs, it is essential that you use all funds received for their intended purposes and properly document where this money goes so that you do not have to return the funds received, along with possible interest and penalties.***

The Provider Relief Fund, which was established by the larger CARES Act near the start of the pandemic, can reimburse you for up to 2% of your annual reported patient revenue. If you apply for funds and receive them, you would not owe any of this money back as long as you follow the terms and conditions of the PRF program regarding the use of these funds.

Eligible uses for these funds include PPE and other supplies and equipment that you needed to purchase as a direct result of the pandemic. This also includes COVID-related leasehold improvements to your facility such as air purification and HVAC systems. Once funds are used for these COVID healthcare expenses, any funds left over can be used to offset lost revenues. If your revenues were down by 2% or more in 2020 when compared to 2019, then it should be relatively easy to qualify.

***Originally, there was a February 2021 due date for reporting the use of your HHS funds, but with the bill that was passed on December 27<sup>th</sup>, this deadline has been extended to an undetermined date at this time.***

***You must prepare now to report the use of your HHS funds so that when the time comes, you are prepared. Not complying with these rules could mandate you to fully pay back the HHS funds, possibly with interest and penalties.***

***If you have any specific questions regarding the Provider Relief Fund program itself, the Department of Health and Human Services has a dedicated support team that is extremely knowledgeable in these programs and should be able to provide you with answers to any questions you may have.***

Their support hotline number is (866)-569-3522. There is also an extensive FAQ page on their website, click here to access this: [FAQ page](#).

Beyond this email, we cannot provide you with any additional advice or guidance on this topic, but if you need further assistance beyond the hotline number and FAQ page, we can refer you to a law firm that specializes in the HHS programs.