

INCOME IMPACTED

• W-2 Employee: Loss of job

Recommended Documents	Calculation Protocols	Notes
<p>Furlough/layoff notice</p> <p>State Unemployment Award Designation</p> <p>Screenshot of remaining unemployment balance from state website</p>	<p>Reduce W-2 salary by 50% or up to 80% if there are long term/pre-tax items as well. Annual check.</p> <p>Reduce salary by 1/3 If doing check in's with awarding.</p> <p>Add back estimated unemployment as non-taxable income.*</p> <p>You can consider a reduction in Retirement assets if you use them in your calculation.**</p> <p>*\$600.00 weekly additional has been discontinued as of July 31, 2020.</p> <p>**Cares Act is allowing for distribution of up to \$100,000 without penalty if paid back within 3 years.</p>	<p>If income reduction is used, you can set a standard unemployment amount based on state averages x %.</p>

• W-2 Employee: Reduction of Work

Recommended Documents	Calculation Protocols	Notes
<p>Most recent paycheck stub</p> <p>Notice from employer with details on reduced hours</p>	<p>Reduce annual salary by 15% if family reports reduction at 30%. Annual check.</p> <p>Reduce annual salary by the quarter impacted if doing check in's with awarding.</p>	<p>If the family has gone on a reduced income schedule in the fourth quarter of 2020, assume this will run for 2 quarters.</p>

• Schedule C Business Owner "gig worker": Loss of income

Recommended Documents	Calculation Protocols	Notes
<p>2020 Profit & Loss Sheet YTD</p> <p>2019 Total Profit and Loss sheet actual</p> <p>Details on loans/grants applied for and awarded</p>	<p>If profit, take the net profit and take out a small %-from schedule E or K1 line 1-Reduce Distributions by 50%-K1 line 16 or 19. Annual check.</p> <p>Confirm if W-2 income is the same as last year. Reduce accordingly.</p> <p>Take above and just adjust one quarter (April-June) if doing check in's with awarding.</p>	<p>Confirm state availability.</p> <p>Not all states are allowing Schedule C business owners / "gig workers" to receive unemployment.</p>

• Corporation/Partnership (K-1 recipient): Loss of income

Recommended Documents	Calculation Protocols	Notes
<p>2020-Profit & Loss Sheet YTD</p> <p>2019-Total Profit and Loss sheet actual</p> <p>Details on loans/grants applied for and awarded.</p>	<p>If profit, take a small % (from Schedule E or K-1 line 1) from the net profit and reduce Distributions by 50% (K-1 line 16 or 19). Annual Check.</p> <p>Confirm if W-2 income is the same as last year. Reduce accordingly.</p> <p>Take above and just adjust 1 quarter (April-June) if doing check in's with awarding.</p>	<p>Much of this will depend on the industry the family is involved in.</p> <p>Contracts or physical business closed.</p> <p>Size of business will deeply impact availability to get SBA support.</p>

EXPENSES IMPACTED

- **Medical expenses related to COVID**

Recommended Documents	Calculation Protocols	Notes
Simple breakdown from family on expenses if above \$10,000. Below that I would allow without it.	Above \$10,000, ask for breakdown. Under \$10,000, allow without deep supporting documents.	

- **Cobra: Job loss expense**

Recommended Documents	Calculation Protocols	Notes
Letter or bill	Update Medical section with new amount.	

- **Funeral**

Recommended Documents	Calculation Protocols	Notes
I would not require anything but the amount.	I would allow for anything under \$10,000 without proof of costs.	Given that very few places are allowing in person funerals, the travel costs associated with funerals are likely to be lower.

- **PPP payment**

Recommended Documents	Calculation Protocols	Notes
Loan approval or payment schedule	This is deferred for 6 months but the payment term is only 2 years, so the monthly cost could be large. Giving a small allowance in Unusual Expenses is appropriate.	Most PPP loans will be forgiven and turned into a grant for the company. The program has loosened the criteria.

ASSETS IMPACTED

- **Living off savings**

Recommended Documents	Calculation Protocols	Notes
Statement from investments showing withdrawals	Adjust assets to reflect current amount or a lowered projection annually.	If parents suggest they are drawing down \$2,000 a month, reduce annual investment assets by that delta.

- **Stocks/Bonds**

Recommended Documents	Calculation Protocols	Notes
Statements showing huge declines	This is fluid right now, and I would hold off on doing too much stock adjustments if they are just stating wealth has gone down.	I would be careful doing too much with this area if parents suggest "stock crashed due to COVID."

- **PPP payment**

Recommended Documents	Calculation Protocols	Notes
Loan approval/payment schedule	This is deferred for 6 months but the payment term is only 2 years, so the monthly cost could be large. Giving a small allowance in Unusual Expenses is appropriate.	Most PPP loans will be forgiven and turned into a grant for the company. The program has loosened the criteria.

DEBTS IMPACTED

- SBA Loans

Recommended Documents	Calculation Protocols	Notes
Loan approval/payment schedules	Reduce W-2 salary by 50% or up to 80% if there are long term/pre-tax items as well. Annual check. Allow as a debt for those with high assets. Allow as an Unusual Expense for those with no assets – 6 months cost.	In most financial aid systems you can put in monthly expenses and/or debts. This is like student loan debt in some ways. Treat it similarly.

MISCELLANEOUS CHANGES

- Non-Working Spouse add backs

Recommended Documents	Calculation Protocols	Notes
N/A	Potentially remove income or allow for half your normal amount.	Depending on family dynamics, employment right now is not likely especially if they were already stay at home, and now have school children home? This will need to be a policy diversion/decision.

- Home Equity

Recommended Documents	Calculation Protocols	Notes
N/A	Remove entirely for primary residence. Remove anything above a dollar amount like \$250,000. Remove from entire calculation for primary and secondary homes.	In the 2008 crash, many schools simply removed home equity from the calculations, but this is not a housing market crash, so we need to do this slowly and carefully, if at all.

- Retirement Assets

Recommended Documents	Calculation Protocols	Notes
N/A	Consider lowering assets depending on platform used if included in calculation of capacity to pay.	This will all depend on the wealth of the family requesting COVID aid support.

- Rental Income – Schedule E

Recommended Documents	Calculation Protocols	Notes
Clear notification of non-payment by renters.	Consider not adding back depreciation and profit from rental if unit is either not occupied or not paying.	If they have 20 rental properties as their business, we need to carefully adjust to not lower too much.

School specific notes: _____

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