



May 26, 2020

Re: Reopening of America

Dear Client:

I hope that you had a wonderful Memorial Day weekend with your family.

With the reopening of America, we are entering a new phase of the current pandemic. Without a vaccine, we need to wear facial mask and practice social distancing in our businesses. Most of our clients have now opened their business, although to a limited capacity. Please see <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html> for government guidance in opening your business.

Our May revenue have recovered as clients are beginning to pay their outstanding fees. Our PPP funds are being used for our payroll cost. One of our staff had resigned but there will be no negative effect to our PPP forgiveness, as we have hired a replacement. In the next few weeks, you will be faced with getting your PPPs forgiven. KSGA, LLP is available to assist you on the PPP forgiveness. This work will be a new and separate engagement.

We require facemask and social distancing from our clients coming for in person appointments. <http://publichealth.lacounty.gov/media/Coronavirus/docs/business/FAQ-Managers.pdf>, Not all facemasks are the same, <https://www.cdc.gov/niosh/npptl/pdfs/UnderstandDifferenceInfographic-508.pdf>

For the coming months, we will all be dealing with employees testing positive to COVID 19 and we will need to have them stay home for 14 days for self-quarantine. The sick pay paid to the quarantined staff can be claimed as either a credit in the payroll tax returns or as refund from the federal government, up to 80 hours, as allowed in Family First Coronavirus Response Act (FFCRA), <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>. No corresponding benefits are available for self-employed under FFCRA.

Federal Pandemic Unemployment Assistance (PUA) of \$600 per week will expire on July 25, 2020. State PUA, maximum of \$167 per week, will continue until December 26, 2020. With the expiration of PUA, many lower wage employees will start to come back to work after July. Until then, many retail and restaurant owners will experience shortage of workers, as the lower wage employees get more from unemployment than working.

In today's LA Times, there is an article titled "Coronavirus 'silent spreaders' become bigger risk as California reopens". According to the article, there is an increasing concern that people infected with Coronavirus who show no sign of illness are playing a larger role in the transmission of COVID-19. Identifying these so-called silent spreaders is becoming even more important as California eases stay-at-home rules, allowing people to eat in restaurants, shop in stores, go to beaches and parks and resume in-person church services. [LA Times article link](#)

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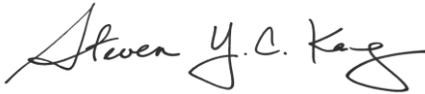
17918 Pioneer Blvd., Suite 200, Artesia, CA 90701 Tel: 562-865-2727 Fax: 562-865-2760 www.ksgallp.com

All of the partners of KSGA, LLP were tested, as the LA county provides free testing of COVID-19, and we were all found to be negative. I had a personal reason for getting tested. My parents are in their early 90s. As I often visit them, I want to make sure that I am not one of the silent spreaders, as my parents are high risk individuals. We have asked all of our staff to also get tested, however, it will be their choice on whether or not they get tested.

This will be the new normal until vaccines for COVID-19 become widely available.

So, stay healthy, do social distancing and let's flatten the curve.

Sincerely,



Steven Y.C. Kang, CPA
Managing Partner
KSGA, LLP

Proverbs 15:23



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