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April 7, 2020

Dear G&A Partners Client,

G&A Partners has a “co-employment agreement” with your organization. As a result, your company’s tax filings, both federal and state, are generally included with governmental reporting for all our clients’ employee information under a G&A Partners tax identification number. Under the “co-employment agreement,” PEO clients are not required to issue Form 941, 940, state income tax, or unemployment tax filings. These forms are issued under a G&A Partners tax identification number, with the exception of unemployment tax filings in client-reporting states. We acknowledge your request for certain reports required for your upcoming CARES Act loan application that includes wage, tax, and benefits information for the requested period(s) for your employees.

Per the SBA Interim Final Rule released on or about April 2, 2020: “Borrowers must submit such documentation as is necessary to establish eligibility such as payroll processor records, payroll tax filings, or Form 1099-MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation, such as bank records, sufficient to demonstrate the qualifying payroll amount.”

Additionally, on April 6, 2020, the SBA, in consultation with the Department of Treasury, provided additional guidance on PPP Loans, including the following: “ SBA recognizes that eligible borrowers that use PEOs or similar payroll providers are required under some state registration laws to report wage and other data on the Employer Identification Number (EIN) of the PEO or other payroll provider. In these cases, payroll documentation provided by the payroll provider that indicates the amount of wages and payroll taxes reported to the IRS by the payroll provider for the borrower’s employees will be considered acceptable PPP loan payroll documentation. Relevant information from a Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers, attached to the PEO’s or other payroll provider’s Form 941, Employer’s Quarterly Federal Tax Return, should be used if it is available; otherwise, the eligible borrower should obtain a statement from the payroll provider documenting the amount of wages and payroll taxes. In addition, employees of the eligible borrower will not be considered employees of the eligible borrower’s payroll provider or PEO.” Therefore, we believe the provided report clearly meets the payroll-specific documentation requirements.

As an added measure, an external auditor performs procedures each quarter to verify that G&A Partners has made all tax payments to federal and state tax jurisdictions per the requirements of the Employer Services Assurance Corporation (ESAC) which is the accrediting agency for Professional Employer Organizations (PEOs). They certify that G&A has paid all payroll taxes on time. All taxes since the inception of our “co-employment agreement” have been paid on time and in full.

The enclosed report details wages paid to your respective employees for the requested period(s). Should you have any further questions, please contact your G&A Partners Client Advocate or HR advisor.

Respectfully yours,

Dean A. Andersen

Dean A. Andersen
Chief Financial Officer