

NFIB UPDATE

Weekly Briefing for Small Business

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August 12, 2020 – Preparing for PPP Loan Forgiveness and Q&A



DISCLAIMER

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- This is based on information available by 8/11/20.

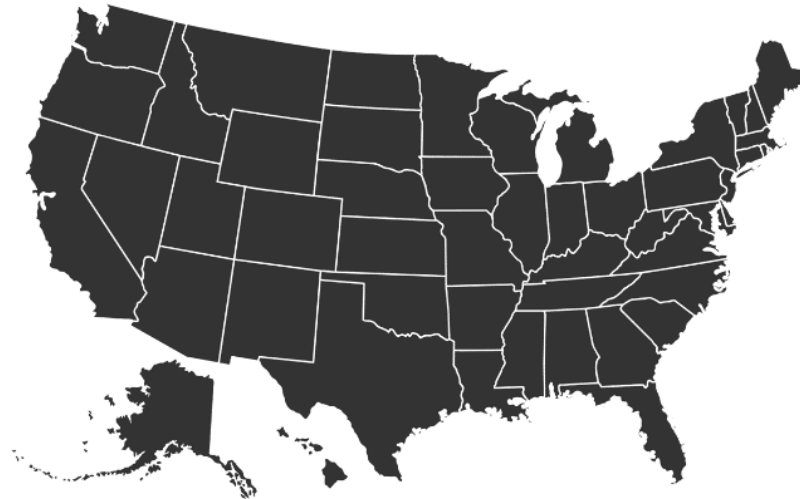
2020 NFIB Fly-In

New Dates | New Place | New Format

Coming to **YOUR HOMETOWN** this August.

- Join us August 17th, **18th**, and 19th for an interactive, informative, and influential experience with NFIB and your legislators. ***Holly and Beth Tuesday Webinar!!!**
- Register (FREE!) at NFIBFlyIn.com

All welcome Aug. 17-18th!
(Aug. 19th for NFIB members only)



Have a question now? Contact us at flyin@NFIB.org

Upcoming NFIB Webinars

August 18 – (TUESDAY!) NFIB Fly-In Special, answering more of your questions - Register at NFIBFlyIn.com

September 3 – Update on next economic relief package (hopefully) and **COVID-19 Q&A**





Get support for your small business through **MBAs Fight COVID-19**

MBAs Fight COVID-19 is a group of MBA students from business schools around the US working with small businesses to respond to the COVID-19 crisis.

We provide **pro bono consulting support** to help businesses think through a variety of topics, including:

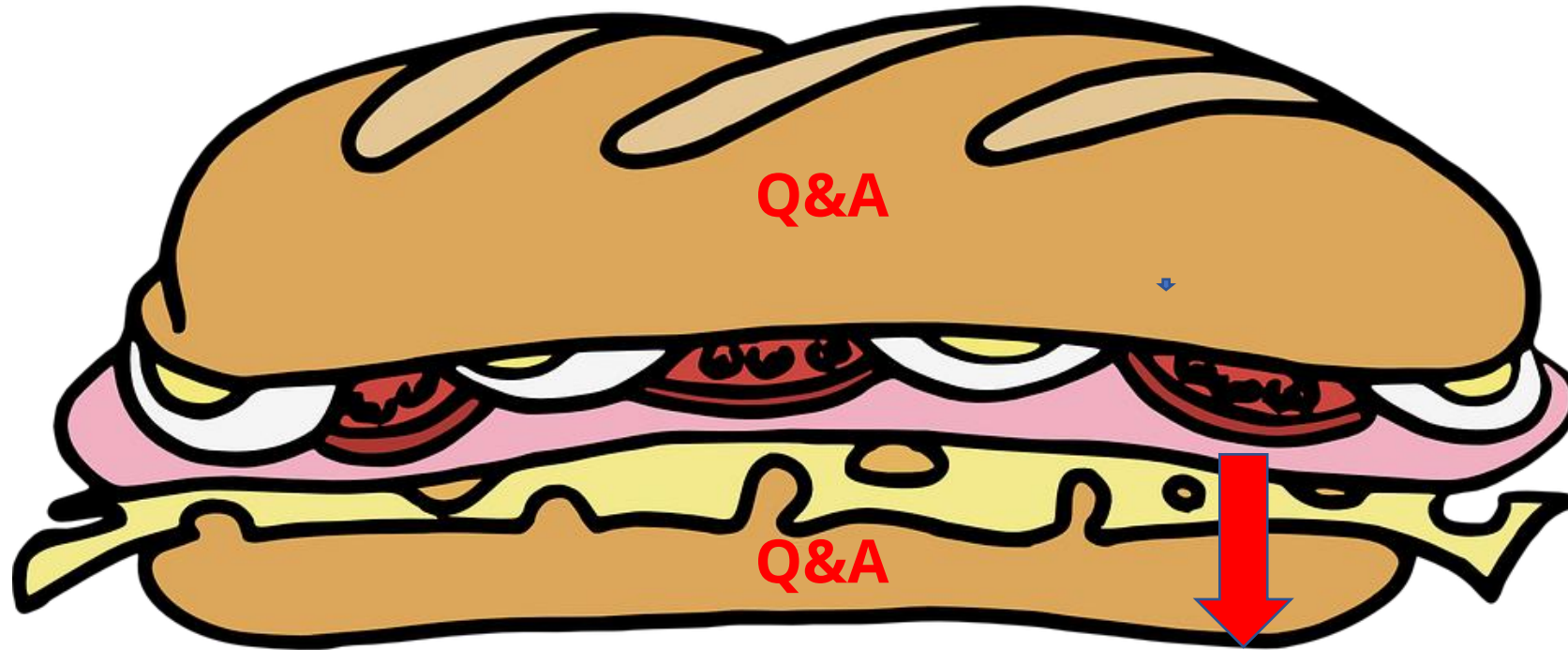
- Applying to federal funding programs (PPP, EIDL)
- Reaching more customers online
- Pivoting business strategy
- ...and more!

To learn more about MBAs Fight COVID-19 and to get matched with an MBA student, email

Elizabeth.Milito@nfib.org



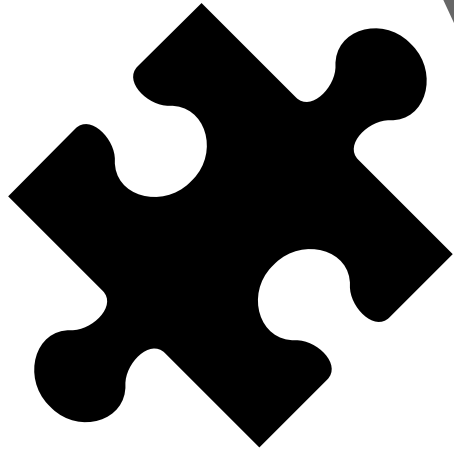
Agenda



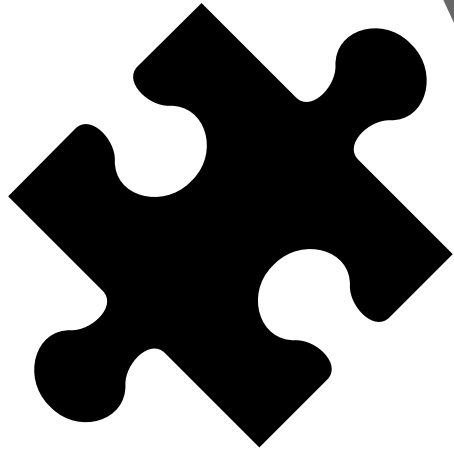
FAQs on PPP Forgiveness

- ☐ How do I decide whether I can use the EZ application?
- ☐ How do I complete the Schedule A Worksheet?
- ☐ How do FTE reductions and salary/wage reductions impact loan forgiveness?

Q&A – PART I



FAQs on PPP



FAQs on PPP Forgiveness

- ☐ How do I decide if I can use the EZ forgiveness application?
- ☐ How do I complete the Schedule A Worksheet?
- ☐ How do FTE Reductions and Salary/Wage Reductions impact loan forgiveness?

FAQ #1

How do I decide whether to use the
EASY Forgiveness Application - Form 3508**EZ**?

PPP Forgiveness Application Form 3508EZ Instructions, p. 1



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ**

OMB Control No. 3245-0407
Expiration Date: 10/31/2020

PPP LOAN FORGIVENESS APPLICATION FORM 3508EZ INSTRUCTIONS FOR BORROWERS

Checklist for Using SBA Form 3508EZ

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using this SBA Form 3508EZ if you can check at least one of the three boxes below. Do not submit this Checklist with your SBA Form 3508EZ.

- ☐ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).

- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Also ignore reductions in an employee’s hours that the Borrower offered to restore and the employee refused. See [85 FR 33004](#), 33007 (June 1, 2020) for more details.

- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
AND
The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.



If you can check at least one of the three boxes above, complete this SBA Form 3508EZ in accordance with the instructions below, and **submit it to your Lender** (or the Lender that is servicing your loan). Borrowers may also complete this application electronically through their Lender. If you are unable to check one of the boxes above, you cannot use SBA Form 3508EZ and instead you must apply for forgiveness of your PPP loan using SBA Form 3508.

For Form 3508EZ you must check of the three categories:

1. You are self-employed, an independent contractor, or the sole proprietor.

2. You did not reduce the annual salary or hourly wages of any employee by more than 25% during the Covered Period or Alternative Covered Period compared to 1/1/2020 to March 31, 2020. No payroll was used for the forgiveness calculation with an annualized amount of more than \$100k*

AND

You did not reduce the number of employees or the average paid hours of employees between 1/1/2020 and the end of the Covered Period. Ignoring the inability to rehire individuals with similar qualifications and ignoring reductions in an employee's hours that the borrower offered to restore and the employee refused.



3. You did not reduce the annual salary or hourly wages of any employee by more than 25% during the Covered Period or Alternative Covered Period compared to 1/1/2020 to March 31, 2020. No payroll was used for the forgiveness calculation with an annualized amount of more than \$100k*

AND

The borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements or guidance issues between March 1, 2020, and December 31, 2020 by:

1. Secretary of Health and Human Services
2. Director of CDC
3. OSHA



EZ Form Certification

- Used Payroll costs that were eligible for forgiveness (payroll costs, business mortgage interest payments, business rent or lease payments, or business utility payments)
- Payroll Costs of at least 60%
- 24 weeks - doesn't exceed 2.5 months of 2019 compensation of any owner employee, capped at \$20,833 per individual
- 8 weeks - doesn't exceed 2.5 months of 2019 compensation of any owner employee, capped at \$15,385 per individual
- Did not reduce salaries or hourly wages by 25%
- Verified the payment for eligible payroll and non-payroll costs
- Submitted to lender required documentation for payroll costs and non-payroll costs
- Everything is True and Correct
- SBA may request additional information

EZ Form Certification - Must one below

1. Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from the inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 and the reductions in an employee's hours that a borrower offered to restore and were refused).

OR

2. Borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements between March 1, 2020 and December 31, 2020 by Health and Human Services, CDC or OSHA.

FAQ #2

**How do I complete the Schedule A Worksheet for
Forgiveness Application - Form 3508?**



PPP Schedule A Worksheet

Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows are needed.

FTE Reduction Safe Harbor 2:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: _____.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: _____.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: _____.
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.





Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Schedule A

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP
Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll
Covered Period was at least 75% of such employee's average annual salary or hourly
wage between January 1, 2020 and March 31, 2020, check here ☐ and enter **0** on line 3.

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance:

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans:

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation:

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is
more than one individual included, attach a separate table that lists the names of and
payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):





Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

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PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Business Address	Business TIN (EIN, SSN)	Business Phone
	() -	
	Primary Contact	E-mail Address

SBA PPP Loan Number: Lender PPP Loan Number:

PPP Loan Amount: PPP Loan Disbursement Date:

Employees at Time of Loan Application: Employees at Time of Forgiveness Application:

EIDL Advance Amount: EIDL Application Number:

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other

Covered Period: to

Alternative Payroll Covered Period, if applicable: to

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

Line 9. PPP Loan Amount:

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):



FAQ #3

**How do FTE Reductions and Wage/Salary Reductions
Impact Loan Forgiveness?**

How Will PPP Forgiveness be Reduced?

- You don't spend the loan on qualifying costs, which include payroll costs, (including group health and retirement benefits & state and local payroll taxes) and non-payroll costs of utilities, mortgage interest, and rent.
- You spend more than 40% of the loan for non-payroll costs.
- You don't spend all loan during the covered period.
- You decrease your full-time employee (FTE) headcount and were not eligible for an FTE Exception or FTE Safe Harbor.
- You decrease salary/hourly wage by more than 25% for any employee that made less than \$100,000 in 2019 and did not meet Salary/Wage Safe Harbor.

*You have until **December 31, 2020** to restore your full-time employment and salary levels for any changes between Feb. 15 to April 26, 2020.*

FTE Calculations

1. Determine if an FTE Reduction Safe Harbor is met. The Safe Harbors apply for workforce reductions from 2/15/2020 – 4/26/2020 that are restored by 12/31/2020 and for businesses subject to restricted activity due to COVID-19.
2. Determine the average FTEs during the **Covered Period** (or Alternative Payroll Covered Period) being sure to add back any FTE Reduction Exceptions (due to voluntarily departure, being fired, etc.) – this will be the numerator below
3. Select the baseline **reference period** at the business owner's election by determining the fewest average number of FTEs during the following periods – this will be the denominator below
 - a. 2/15/2019 through 6/30/2019; or
 - b. 1/1/2020 through 2/29/2020;
 - c. For seasonal employers only: either of (1) or (2) directly above or any consecutive 12 week period from 5/1/2019 through 9/15/2019
4. Calculate the FTE Reduction Quotient, not to exceed 100%:

Average FTEs during the covered period

Average FTEs during reference period





PPP Schedule A

FTE Calculations

FTE SAFE HARBOR #1 (Restricted Business Activity)

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll Covered Period was at least 75% of such employee's average annual salary or hourly wage between January 1, 2020 and March 31, 2020, check here ☐ and enter 0 on line 3.

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance:

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans:

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation:

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is more than one individual included, attach a separate table that lists the names of and payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9):

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy **any** of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13; otherwise, complete lines 11, 12, and 13:

No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here ☐.

FTE Reduction Safe Harbor 1: If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here ☐.

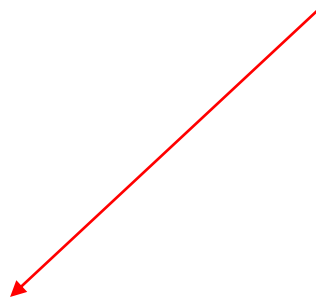
FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here ☐.

Line 11. Average FTE during the Borrower's chosen reference period:

Line 12. Total Average FTE (add lines 2 and 5):

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met:

Borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements between March 1, 2020 and December 31, 2020 by Health and Human Services, CDC or OSHA.



FTE Calculations



Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

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PPP Schedule A Worksheet

Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows are needed.

FTE Reduction Safe Harbor 2:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: _____.
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: _____.
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: _____.
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

FTE SAFE HARBOR #2 (December 31, 2020 Restoration)

The borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if both of the following conditions are met: (a) the Borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (b) the Borrower then restored its FTE employee levels by not later than December 31, 2020 to its FTE employee levels in the Borrower's pay period that included February 15, 2020.



FTE Calculations

1. Calculate the number of FTEs: for each employee, divide the total number of hours worked per week by 40 and then round to the nearest tenth. For example, an employee who works 40 hours a week would count as 1.0 FTEE ($40/40=1.0$). An employee who works 30 hours a week would count as 0.75 ($30/40$), which is then rounded up to 0.8. *Alternatively, borrowers may choose to use a simplified method that assigns a 1.0 for employees that work 40 or more hours a week and 0.5 to employees that work fewer than 40 hours a week.*

2. Determine the average number of Full Time Equivalents (FTEs) for three time periods:

- a) 24-week period after loan funding: **9 (Covered Period)**
- b) Feb 15, 2019 – June 30, 2019: **10 (Reference Period i)**
- c) Jan 1, 2020 – Feb 29, 2020: **11 (Reference Period ii)**

Businesses are given an option between (b) and (c) above. It is recommended to choose the smaller figure to maximize forgiveness.

3. Calculate the FTE Reduction Quotient, not to exceed 100%:

Average FTEs during the covered period

9

Average FTEs during reference period

10

---- FTE Reduction Quotient: 90%



FTE Calculations

When completing Schedule A Worksheet Tables - Determine if FTE Reduction Exception applies:

(a) any positions for which the borrower has made a good-faith, written offer to rehire an individual who was an employee on February 15, 2020, and the borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020;

(b) any positions for which the borrower made a good-faith, written offer to restore the reduced hours of such employee, at the same salary or wages and same number of hours as earned by such employee in the last pay period prior to the reduction in hours, the employee rejected the offer; and the borrower has maintained records documenting the offer and its rejection; and

(c) any employees who, during the Covered Period or the Alternative Payroll Covered Period, (1) were fired for cause, (2) voluntarily resigned, or (3) voluntarily requested and received a reduction of their hours.

Borrowers are required to inform the applicable state unemployment insurance office of any employee's rejected rehire offer within 30 days of the employee's rejection of the offer. Borrowers must maintain documents to show compliance with these exemptions, which may include the written offer, written record of the rejection, and a written record to hire a similarly qualified individual.



Salary/Hourly Wage Reduction

1. For each individual employee making \$100,000 or less annualized in 2019 or were hired in 2020, determine if pay was reduced by more than 25%
2. For those reduced by more than 25%, determine if the "Safe Harbor" for Salary/Hourly Wage Reductions is met by restoring wages in full for eligible employees by 12/31/2020.

Example: An hourly employee earning \$20/hr. could have their wages reduced to \$15/hr. before a loan forgiveness reduction is applied.

3. If the reduction in wages exceeds the allowed amount, calculate the penalty as: (total reduction in pay – allowed reduction in pay) x 8 weeks.

Example: a salaried employee earning \$1,000/wk. has their pay reduced to \$500/wk. during the covered period. Loan forgiveness would be reduced by: $(\$500 - \$250) \times 8$ weeks (or 24 weeks) = \$2,000 (or \$6,000). Loan forgiveness amount will be reduced by \$2,000 (or \$6,000)



Example PPP Forgiveness Reduction

(Qualifying PPP costs spent – Salary/hourly wage reductions) x FTE Reduction Quotient = Forgiveness

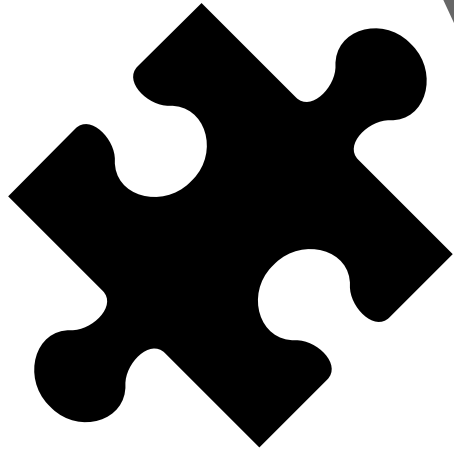
- Loan amount: \$100,000
- After COVID-19, 2 FTE's hours were cut by 10 from 40 hrs/wk to 30 hrs/wk, leaving it with $(11 \text{ FTE} - (2 \times (10/40))) = 10.5$ FTEs
- Payroll was \$76,000 over the covered period
- Nonpayroll costs were \$24,000 over covered period
- Employer also implemented some reduction in salaries, but it did not decrease hourly wages or salaries by more than 25%
- Determine the average number of Full Time Equivalents (FTEs) for three time periods
 - a) 24 week period after loan funding: 10.5
 - b) Feb 15 – June 30, 2019: 11
 - c) Jan 1 – Feb 29, 2020: 12 NOTE: Not a seasonal employer
- Calculate FTE Reduction Quotient: $10.5/11 = .95$ **$(\$100,000 - \$0) \times 95\% = \$95,000$ forgiven**
- If FTE safe harbor is met by 12/31/20
 $(\$100,000 - \$0) \times 100\% = \$100,000$ forgiven



Can my PPP loan be forgiven in whole or in part?

- **Yes!** The amount of loan forgiveness can be up to the full principal amount of the loan and any accrued interest (deferred for 10 months).
- Loan forgiveness requires:
 1. Spending on qualifying expenses:
 - Payroll: The total amount of payroll costs. *Must be at LEAST 60% (up to 100%) of loan.*
 - Non-Payroll: not more than 40% (or LESS down to 0%) of the loan may be spent on three categories of non-payroll costs:
 1. Payments of interest on business mortgage obligations on real or personal property incurred before 2/15/20.
 2. Payments for business rent or business lease agreements for real or personal property in force before 2/15/20.
 3. Payments for business utilities (electricity, gas, water, transportation, telephone, and internet) under service agreement dated before 2/15/20.
 2. Over the 8 week or (up to) a 24-week covered period following the date of the loan disbursement.
 3. And, with some exceptions, restoring staffing and salary/wages to pre-covid levels.

Q&A – PART II



Links to COVID-19 Resources

[PPP Loan Forgiveness EZ Application Instructions](#)

[PPP Loan Forgiveness EZ Application](#)

[AICPA PPP Loan Forgiveness Calculator](#)

[NFIB Coronavirus Resources](#)

[NFIB Chart of Federal COVID-19 Small Financial Programs](#)

[NFIB PPP Loan Forgiveness Tip Sheet](#)

[NFIB FFCRA Tax Credit Tip Sheet](#)

[NFIB EIDL Tip Sheet](#) **EIDL Still Available!**

