

NFIB UPDATE

Weekly Briefing for Small Business

Beth Milito and Holly Wade, NFIB

September 30, 2020 – PPP Loan Forgiveness Applications and Q&A



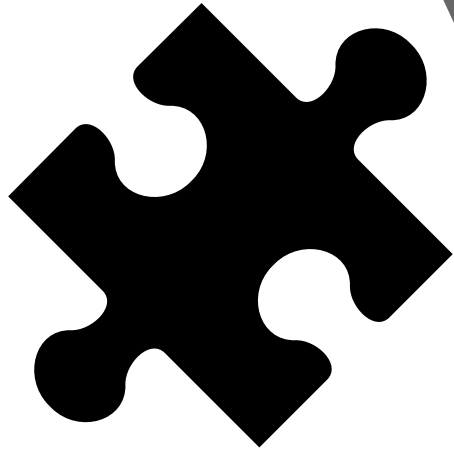
DISCLAIMER

- The materials and information provided in this webinar and on NFIB's website are for informational purposes only and not for the purpose of providing legal or tax advice. You should contact your attorney and/or tax professional to obtain advice with respect to any particular issue or problem.
- This is based on information available by 9/30/20.

Agenda

-
- Covid-19 Small Business Resources
 - Form 3508EZ PPP Forgiveness Application
 - Form 3508 PPP Forgiveness Application,
including PPP Schedule A and PPP Schedule A
Worksheet
 - Q&A

Covid -19 Small Business Resources



Upcoming NFIB Webinars

***Reminder that we have converted NFIB's
formerly weekly Covid-19 webinars to every
other week:***

October 14

Legislative update, PPP loan forgiveness,
Q&A

October 28

Covid-19 employer requirements, PPP loan
forgiveness, Q&A

Send questions to info@nfib.org

COVID-19 Resources

-
- [PPP Loan Forgiveness Form 3508EZ Application Instructions](#)
 - [PPP Loan Forgiveness Form 3508EZ Application](#)
 - [PPP Loan Forgiveness Form 3508 Application Instructions](#)
 - [PPP Loan Forgiveness Form 3508](#)
 - [AICPA PPP Loan Forgiveness Calculator](#) (**updated 9/2/20**)
 - [NFIB Coronavirus Resources](#)
 - [NFIB FFCRA Tax Credit Tip Sheet](#)
 - [NFIB FFCRA Back-To-School Tip Sheet](#) (**new!**)
 - [NFIB EIDL Tip Sheet](#)



So far....

- Many lenders are still waiting (hoping!) to see if Congress passes auto-forgiveness for those loans under \$150,000.
- Lenders have submitted about 100,000 forgiveness applications to the SBA.
- SBA has not yet processed any forgiveness applications.
- SBA has said that they will start processing applications in the next week or two.

Timeline....


- Lenders have 60 days from receiving a borrower's forgiveness application to submit the application to the SBA.
- The SBA has 90 days from receiving the forgiveness application from the lender to process the application.
- Loan payments begin 10 months after the end of the borrower's covered period.



NFIB Urges Congress to Provide Additional PPP Funding

NFIB, along with other organizations that represent a wide range of small businesses, sent a [joint letter](#) to Congress this week calling for immediate action to provide access to remaining PPP funds and allow for second draw loans.





Beware of Malicious COVID-19 Phishing

Protect yourself from identity theft and fraud during pandemic recovery.

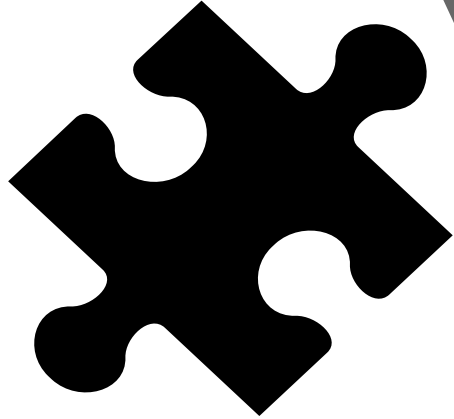
Confirm any SBA disaster assistance emails by contacting **(800) 659-2955**, TTY **(800) 877-8339**, or **disastercustomerservice@sba.gov**.

Avoid scams and fraud, visit
sba.gov/COVIDfraudalert



U.S. Small Business
Administration

Form 3508EZ



Important Forgiveness Reminders

- Borrowers can use their entire PPP loan on payroll (enter 0 for all other expense categories not used on forgiveness application).
- The SBA will subtract the EIDL advance or grant (not the EIDL loan) from your total forgiveness amount.
- Eligible essential and non-essential businesses can use the EZ application. (EZ application still requires borrowers to submit supporting documents.)
- Your lender will likely have their own online portal to submit the application. Very few are currently accepting them.

Important Forgiveness Reminders (continued):

Owner payments are capped:

- Owner-employees
 - Self employed
 - General partners
-
- During the 24-week period, the cap is: \$20,833 or 2.5 months (2.5/12) of 2019 compensation/net profit/SE earnings (lesser of).
 - During the 8-week period, the cap is: \$15,384 or 8 weeks (8/52) of 2019 compensation/net profit/SE earnings (lesser of).

Important Forgiveness Reminders (continued):

Owner noncash compensation is also capped:

- C corporation owner-employee: Include state and local taxes, employer contributions for health insurance, and retirement contributions (capped at 2.5/12 of 2019 amount).
- S corporation owner employee: Include state and local taxes, and employer retirement contributions (capped at 2.5/12 of 2019 amount).
- Self-employed or Schedule C filers – N/A

Can I use the EZ Form?
(we hope most of you can!)



FORM 3508EZ INSTRUCTIONS FOR BORROWERS (Page 1)

- ☐ 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.





Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0497
Expiration date: 10/31/2020

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:

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4:

Line 6. PPP Loan Amount:

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60):

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7):





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

OMB Control No. 3245-0407

Expiration date: 10/31/2020

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Holly's Bakery		
Business Address	Business TIN (EIN, SSN)	Business Phone
123 Main Street, Bloomington, MN 55438	123-456-7890	(123) 456 - 7890
	Primary Contact	E-mail Address
	Holly Wade	holly@hollysbakery.com



The lender loan # is likely the same as the 10-digit SBA loan #.

SBA PPP Loan Number: 1234567890 Lender PPP Loan Number: 1234567890

PPP Loan Amount: \$60,000 PPP Loan Disbursement Date: 06/15/2020

Employees at Time of Loan Application: 10 Employees at Time of Forgiveness Application: 8

EIDL Advance Amount: 0 EIDL Application Number: 123456789

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

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

Covered Period: 06/15/2020 to 11/30/2020

Alternative Payroll Covered Period, if applicable: to

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



Disbursement Date is date money hit your bank account.



Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs:

Payroll costs include group health benefits (medical, vision & dental), state & local payroll taxes (UI), compensation, & leave pay. For purposes of owners' compensation limits, owners are defined as owning 5% or more in the business.

\$60,000

Line 2. Business Mortgage Interest Payments: Interest on real or personal property.

0

Line 3. Business Rent or Lease Payments: Rent paid on property owned by owners limited to amount of mortgage interest; renewal of existing leases is allowed.

0

Line 4. Business Utility Payments: Business payments for a service for the distribution of electricity, gas, water, **transportation**, telephone, or internet access for which service began before 2/15/20.

0

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4:

\$60,000

Line 6. PPP Loan Amount:

\$60,000

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): This is a "test" calculation.

\$100,000

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7):

\$60,000



Transportation is a transportation utility fee assessed by state and local governments. It's NOT gas, EZpass, or rental car fees.



By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:
The Authorized Representative of the Borrower certifies to all of the below by initialing next to each one.

- hw The dollar amount for which forgiveness is requested:
- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
 - includes payroll costs equal to at least 60% of the forgiveness amount;
 - if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
 - if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.
- hw I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- hw The Borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the Covered Period or Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020. For purposes of this certification, the term "employee" includes 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.
- hw The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- hw I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.
- hw The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- hw The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.
- hw I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by initialing at least ONE of the following two items:

- hw 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 (other than any 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, and reductions in an employee's hours that a borrower offered to restore and were refused).
- hw The 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 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.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.



Signature of Authorized Representative of Borrower

Holly Wade

Print Name

SBA Form 3508EZ (06/20)

Page 2

09/30/2020

Date

Owner

Title

Box 1 & 2 of
instruction form



Box 3 of
instruction form



In addition, the Authorized Representative of the Borrower must certify by **initialing at least ONE** of the following two items:

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 (other than any 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, and reductions in an employee’s hours that a borrower offered to restore and were refused).

hw

The 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 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.

The Borrower’s eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower’s loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

Signature of Authorized Representative of Borrower

Holly Wade

Print Name

SBA Form 3508EZ (06/20)

Page 2

09/30/2020

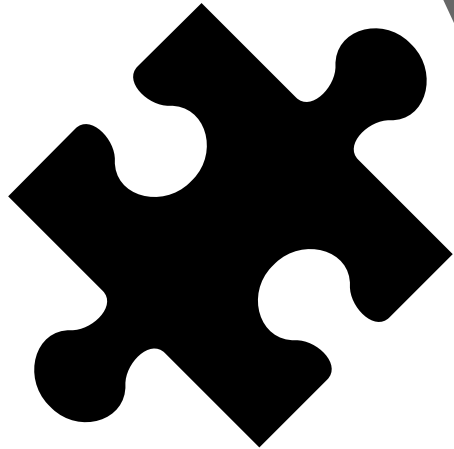
Date

Owner

Title



Form 3508





Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

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

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):





By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:

The authorized representative of the Borrower certifies to all of the below by **initialing** next to each one.

- ☐ The dollar amount for which forgiveness is requested:
- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
 - includes all applicable reductions due to decreases in the number of full-time equivalent employees and salary/hourly wage reductions;
 - includes payroll costs equal to at least 60% of the forgiveness amount;
 - if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
 - if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.
- ☐ I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.
- ☐ The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.
- ☐ I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.
- ☐ The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 18 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- ☐ The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.
- ☐ I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.
- ☐ If the Borrower has checked the box for FTE Reduction Safe Harbor 1 on PPP Schedule A, the 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 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.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

Signature of Authorized Representative of Borrower

Date

Print Name

Title





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): _____

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: _____





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.



Schedule A Worksheet

- Three Components
 1. Table 1 – for 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
 - Received compensation 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
 2. Table 2 – for employee 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
 - Received compensation at an annualized rate of more than \$100,000 for any pay period in 2019
 - Reducing these salaries will not reduce the forgiveness
 3. FTE Reduction Safe Harbor 2 – called 2 because there is 1 on the Schedule A, but we will come back to that
- You will have to identify each employee, but should not include:
 - Independent Contractors
 - Owner-employees – not part of Schedule A Worksheet
 - Partners – not part of Schedule A Worksheet
 - Self-employed individuals – not part of Schedule A Worksheet



Schedule A Worksheet – Cash Compensation Box

- Includes:
 - Salary, wage, commission, or similar compensation
 - Payment of cash tip or equivalent
 - Payment for vacation, parental, family, medical, or sick leave
 - Allowance for dismissal or separation
- Does not include:
 - The compensation of an individual employee in excess of an annual salary of \$100,000
 - For an 8-week covered period, that total is \$15,385 and for a 24-week covered period that total is \$46,154
 - Any compensation of an employee whose principal place of residence is outside of the United States
 - Qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act (Public Law 116–127)
 - Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116–127)

Schedule A Worksheet - Average FTE Box

How to calculate FTE: Average number of hours **paid** during the covered period (or alternative period) and divide by 40 before rounding to the nearest 10th (ex. 30 hours = .8)

- Maximum amount for each employee is 1.0
- There is a simplified method:
 - Each employee that worked 40 hours gets 1.0
 - Each employee that worked less than 40 hours gets 0.5
- Choose the option that maximizes your FTE number

Employee	Hours	Detailed FTE	Simplified FTE
A	60	1.0	1.0
B	40	1.0	1.0
C	28	0.7 (28/40)	0.5
D	20	0.5 (20/40)	0.5
E	20	0.5 (20/40)	0.5
Total		3.7	3.5



Schedule A Worksheet – Salary/Hourly Wage Reduction Box

- Loan forgiveness will be reduced by:
 - Any reduction in the total salary or hourly wages of any employee during the covered period who did not receive wages or salary in 2019 of more than \$100,000
- Reduction is required if the reduction in wages is in excess of 25% of the total salary or wages from January 1, 2020 through March 31, 2020
- Steps to determine (steps found on **Instructions for PPP Schedule A Worksheet**, Form 3508 Instructions, Page 4):
 - Step 1 – Determine if pay was reduced more than 25%
 - Step 2 – Determine if the Salary/Hourly Wage Reduction Safe Harbor is met
 - Step 3 – Determine the Salary Hourly Wage Reduction

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%

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

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.
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: $(\$500 - \$250) \times 8 \text{ weeks (or 24 weeks)} = \$2,000 \text{ (or \$6,000)}$.
- Loan forgiveness amount will be reduced by \$2,000 (or \$6,000)

Schedule A Worksheet FTE Exceptions

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.

Add back the FTE of:

1. Any position for which you made a good-faith, written offer to rehire an individual who was an employee on February 15, 2020 and you were unable to hire similar qualified employee for unfilled position on or before December 31, 2020
2. Any position for which you made a good-faith, written offer to restore any reduction in hours, at the same salary or wages, during the Covered Period or Alternative Covered Period and the employee rejected the offer
3. Any employee who during the Covered Period or Alternative Covered Period:
 1. Was fired for cause
 2. Voluntarily resigned
 3. Voluntarily requested and received a reduction of their hours

FTE Reduction Calculations

- The bottom of Schedule A Worksheet relates to FTE Reduction Calculation but start with Schedule A to work through FTE Reduction Exemptions.
- There are three ways you can achieve full forgiveness even with FTE reductions. If you satisfy any of these, you will not be penalized for FTE loss:
 - 1. No Reduction in employees or average paid hours** – If you didn't reduce number of employees or average paid hours between January 1, 2020 and the end of the cover period
 - 2. 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
 - 3. FTE Reduction Safe Harbor# 2** – Which is calculated on the bottom half of Schedule A Worksheet

FTE Calculations (Schedule A)

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:

Goal = 1 on line 13

SBA Form 3508 (06/20)

Page 3





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):

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:

FTE REDUCTION SAFE HARBOR #1 (Restricted Business Activity)

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.

Tip: This may cover a lot of businesses that have mandated capacity constraints and sanitation rules, like restaurants and retail, through their covered period and can show business activity is well below what it was prior to February 15, 2020. If you can prove this, you may not need to go through the exercise of calculating your FTEs.



**Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020**

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

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 REDUCTION 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 Reduction Calculation

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.

There are two options of calculating FTEs: (1) calculating based on actual hours worked divide by 40 and round to nearest tenth (ex. 30 hours/week = .8) or (2) simplified approach of using an FTE of 1.0 for employees working 40 hours or more and 0.5 for employees working less than 40 hours in a week. You can elect the option that is more favorable to you and that option must be used to calculate all FTEs for all reference periods.
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



Use Schedule A Worksheet to Complete Schedule A

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.

Goal = 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):

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.





Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

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

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):



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.

Goal = 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:

Goal = 1 on line 13



PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Holly's Dry Cleaners, Inc.		
Business Address	Business TIN (EIN, SSN)	Business Phone
123 Main Street	123-45-6789	() -
	Primary Contact	E-mail Address

SBA PPP Loan Number: 123-456-789 Lender PPP Loan Number: 123-456-789

PPP Loan Amount: \$40,000 PPP Loan Disbursement Date: 6/15/20

Employees at Time of Loan Application: 6 Employees at Time of Forgiveness Application: 5

EIDL Advance Amount: \$6,000 EIDL Application Number: 987-654-321

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

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

Covered Period: 6/15/20 to 11/30/2020

Alternative Payroll Covered Period, if applicable: 6/19/20 to 12/4/20

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): 63,000

Line 2. Business Mortgage Interest Payments: 0

Line 3. Business Rent or Lease Payments: 0

Line 4. Business Utility Payments: 0

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): 0

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: 63,000

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): .8

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): 50,400

Line 9. PPP Loan Amount: 40,000

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60): 105,000

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): 40,000



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
Sam			1	0
Mia (quit)			0	0
Kris			.5	0
Jan			.5	0
Max			.5	0
FTE Reduction Exceptions:			1	
Totals:		Box 1	Box 23.5	Box 30



PPP Schedule A

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: 4.5

Line 12. Total Average FTE (add lines 2 and 5): 3.5

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: .8

Q&A

