



Paycheck Protection Program

LOAN FORGIVENESS
GUIDANCE OVERVIEW

Update on PPP Loans

- \$138 Billion still remaining
- 79% of all PPP Loans under \$100,000
- Money will not run out, so anyone who has not yet applied still has the ability to do so

Update on Forgiveness

- Delayed webinar expecting changes
- Looking for more guidance (released last Friday night)
- Frankly, waiting on Congress to act to simplify process

House Acted Yesterday

- Vote: 477-1
- Provides 24 weeks instead of 8 weeks to spend money on forgivable items
- Non-payroll items can now account for 40% instead of 25%
- Full 2/15/20 employment by 12/31 instead of 6/30

Forgiveness Process

- Submit Loan Application to Lender
- Lender has 60 days to review and forward to SBA
- SBA has 90 days to review and approve forgiveness
- Lender notifies borrower of forgiveness amount

Allowable Expenses

1. Payroll Expenses (used to calculate loan)
 - a. Wages (including employee taxes)
 - b. Other Wages: Commission, Bonus (?), PTO, Vacation
 - c. Employer Paid Health Insurance
 - d. Employer Paid Supplemental Insurance: Dental, Vision, Life
 - e. 401K/Pension Employer Match
 - f. 2% Shareholder – easy to forget
 - g. Payroll Processing ??? (No guidance)

Allowable Expenses

3. Rent (Find your lease)
4. Interest on Mortgage (Have mortgage statements handy)
5. Interest on Secured Debt (Have loan statements handy)
 - a. Car Loan
 - b. Equipment Loan
 - c. Lease ???
6. Transportation ???
 - a. Mileage ???
 - b. Gas for fleet vehicles??? (NEW)
 - c. Car Allowance ??? (Normally part of payroll wages)

Unallowable Expenses

1. Social Security – Employer Match (6.2%)
2. Medicare – Employer Match (1.45%)
3. FUTA – Federal Unemployment Tax
4. Employee wages greater than \$100,000
5. 1099 Payments through payroll
6. Non-Wage Payments (Reimbursement of Expenses)
7. Payroll Processing Fees ???

Review of Guidance

- This has now become less rule driven
- Focus on getting your workforce back to previous position
- Accurate accounting to prepare for loan forgiveness submission

Questions?

