

RESPOND → PLAN → RETURN STRONGER



I Received a PPP Loan – Now What?

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The Paycheck Protection Program Loan

The PPP loan is a 2 year term loan with a
1% interest rate

 The interest begins accruing immediately, however the first payment is deferred for 6 months.

The loan can be forgiven if it is used in accordance to the forgiveness rules.



RETURN STRONGER

Forgiveness Rules

During the 8 week period, immediately after the

funds have been received, funds must be used for:

- **75%** Payroll Expenses
- **25%** Other Expenses

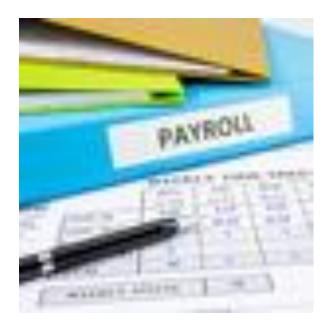
Note - You can not use another SBA loan product for

payroll for those same costs in that period.



Payroll Expenses

- ❑ Wages, Salaries, Commissions, Tips
- Employee vacation
- Parental, Family and Sick Leave
- Group Health Insurance Premiums
- Retirement benefits
- State and local taxes



Headcount

 Must retain or hire back # of employees to pre-COVID19 levels (Average number of FTE's per month)

- □ 2/15/29 to 6/30/19 or
- □ 1/1/20 to 2/29/20 or
- □ 2/15/19 to 6/30/19 for seasonal employees
- If employees have been laid off, make sure offer to rehire is in writing
- June 30, 2020 is the deadline to rehire staff to count towards forgiveness

Other Expenses

- □ Mortgage Interest only
- Rent
- Utilities
- Interest payments for loans incurred before 2/15/2020.*
- *not forgivable





Monthly payroll \$4000 3 Employees

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Loan = $4000 x 2.5 = $10,000
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Payroll = $10,000 x 75% = $7,500
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Other Expenses = $10,000 x 25% = $2,500
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Note: EIDL Advance Grants will be deducted

Filing for Forgiveness

- Documentation verifying # of FTE's
- Payroll Tax Filings reported to the IRS
- State income, payroll and unemployment insurance filing
- Cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments
- Certification of truthful documentation and applicable payments



Tracking and Documentation

- Ensure funds are kept and dispersed from a business account
- □ Keep a spreadsheet of all applicable payments
- □ Notify lender of EIDL advance receipt

Tracking and Documentation

Date PPP Loan received % must be used for payroll for the loan to be forgiven Employee Pay									
Employa					Payroll				
	y Date	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	Payment required for the provisions of group health care benefits, including insurance premiums	Payment of any retirement benefit	Payment of state or local tax assessed on the compensation of the employee	Total
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Excluded payroll items:									
Compensation of an individual employee in excess									
of an annual salary of \$100,000, as prorated for the									
period February 15, to June 30, 2020.									
Payroll taxes, railroad retirement taxes, and income									
taxes.									
Any compensation of an employee whose principal									
place of residence is outside of the United States.									
Qualified sick leave wages for which a credit is									
allowed under section 7001 of the Families First									
Coronavirus Response Act .									
Qualified family leave wages for which a credit is									
allowed under section 7003 of the Families First									
Coronavirus Response Act.									



Tracking and Documentation

Date	Payee	Lease/Rent	Mortgage Interest	Utilities	Total
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Utilities include: Electric Gas Water Telephone Internet

What happens with funds not forgiven???

- □ Funds that are not forgiven are carried forward as an ongoing loan (2 year term, 1% interest rate)
- Principal and interest will continue to be deferred for a total of 6 months
- □ No pre-payment penalty









SBDC Services

