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Question	Answer
Can I use EZ form if I have rehired employees at same hourly rate and hours by 12/31/20 even if hours were reduced earlier in the Covered Period?	To qualify for form 3508EZ the borrower must certify to both conditions: 1. They 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. AND 2. 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.
Fired an employee reducing head count. Do we need to hire a NEW employee prior to date of forgiveness application to regain head count?	Yes, you need to restore both the head count and salary/wage levels (cannot reduce wages by more than 25%) unless unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020.
If our lease ended during the covered period and we signed a new lease for a new location (therefore replacing the prior location), can the new lease payments be included in the PPP forgiveness application?	Unfortunately not because the new lease was not in place on February 15, 2020 however an exception may be requested since it is replacing an existing lease agreement in place on 2/15/2020.
We have employees that were eligible for FFCRA wages and we are applying for PR tax credits. Can we still use FFCRA wages in calculating for forgiveness?	The CARES Act expressly excludes the qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (Pub. L. 116–127). See also <a href="https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-interaction-with-other-credit-and-relief-provisions-faqs">https://www.irs.gov/newsroom/covid-19-related-employee-retention-credits-interaction-with-other-credit-and-relief-provisions-faqs</a>
in regards to transportation use, can a company use the full remaining 40% of funds for fuel expense? example being a tow company using 60% on payroll and 40% on fuel expense	A nonpayroll cost is subject to the 40 percent cap as a portion of the total loan forgiveness amount. Nonpayroll costs are eligible for forgiveness if it was: i. Paid during the covered period; or ii. incurred during the covered period and paid on or before the next regular billing date, even if the billing date is after the covered period.

<p>So each employee's hours are capped at 40 for the calculation of FTE</p>	<p>40 hrs/week represents the average FTE: This calculates the average full-time equivalency (FTE) during the Covered Period or the Alternative Payroll Covered Period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.</p>
<p>The number of employees on the original loan application--was this meant to be FTE or just all employees on payroll</p>	<p>The number of employees on the original application (form 2483) was required to determine eligibility. For purposes of loan eligibility, the CARES Act defines the term employee to include "individuals employed on a full-time, part-time, or other basis." A borrower must therefore calculate the total number of employees, including part-time employees, when determining their employee headcount for purposes of the eligibility threshold.</p>
<p>If our business and many of our customers are not allowed to open until phase 4 in massachusetts, and we are therefore unable to operate at our pre-pandemic level and unable to hire back some employees, how will that effect loan forgiveness?</p>	<p>Two separate safe harbors exempt certain borrowers from any loan forgiveness reduction based on a reduction in FTE employee levels:</p> <ol style="list-style-type: none"> <li>1. The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if the Borrower, in good faith, is able to document that it 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 for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.</li> <li>2. 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</li> </ol>

If you pay insurances in full during the 24 week period, can you use the entire amount or do you need to divide it out	Insurance premium is not an eligible use of PPP funds and will not be forgiven. Payroll and certain non-payroll costs are eligible for forgiveness - visit <a href="https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program">https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program</a> for program details.
Will the portal from the lenders be available shortly?	The SBA PPP Forgiveness Platform is only available for lenders not borrowers. It will go live and begin accepting Lender submissions on August 10, 2020, subject to extension if any new legislative amendments to the forgiveness process necessitate changes to the system. Your lender may create
I was told by an SBA employee. EIDL LOANS are for working capital. which payroll is an expense ? if you are awarded \$150,000 in an EIDL loan hard to spend that on working capital without including payroll after you have exhausted PPP funds	Borrower should use all the proceeds of the EIDL solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 31, 2020 and continuing thereafter. Borrowers can receive/have both, EIDL and PPP loan as long as they're used for different purposes. There's no official guidance on the use of EIDL funds once you've exhausted your PPP loan proceeds and/or obtained your forgiveness.
Are you saying that payroll and non payroll reimbursed by the PPP are not deductible for federal tax purposes?	<a href="https://www.irs.gov/newsroom/faqs-employee">Visit the IRS site and check their FAQs on this topic: https://www.irs.gov/newsroom/faqs-employee</a>
Need specific details on calculating forgiveness- what periods are compared. what is included (bonuses included if total salary is under 100K??). What is deadline for applying for forgiveness?	Reach out to us here at the District Office with specifics: <a href="mailto:MassachusettsDO@sba.gov">MassachusettsDO@sba.gov</a> Borrower must maintain their FTEs during the covered period as compared to the reference period. The reference period is, at the Borrower's election, either (i) February 15, 2019 to June 30, 2019; (ii) January 1, 2020 to February 29, 2020; or (iii) in the case of seasonal employers, either of the preceding periods or any consecutive 12-week period between May 1, 2019 and September 15, 2019; A borrower may submit a loan forgiveness application any time on or before the maturity date of the loan—including before the end of the covered period—if the borrower has used all of the loan proceeds for which the borrower is requesting forgiveness. If the borrower applies for forgiveness before the end of the covered period and has reduced any employee's salaries or wages in excess of 25 percent, the borrower must account for the excess salary reduction for the full 8-week or 24-week covered period, as described in Part III.5. If the borrower does not apply for loan forgiveness within 10 months after the last day of the covered period, or if SBA determines that the loan is not eligible for forgiveness (in whole or in part), the PPP loan is no longer deferred and the borrower must begin paying principal and interest. If this occurs, the lender must notify the borrower of the date the first payment is due. The lender must report that the loan is no longer deferred to SBA on the next monthly SBA Form 1502 report filed by the lender.

<p>need info on specifics of calculating ppp loan forgiveness. are bonuses included in salaries? does it have to be same number of employees if it is the same amount of salaries paid?</p>	<p>You will owe money if you do not maintain your staff and payroll. • Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount. • Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.</p>
<p>How is the FTE comparison calculated? At what date is the headcount viewed as "start" and at what date is it viewed as "end" for the forgiveness percentage comparison? Is it FTE or just headcount, including part-time workers?</p>	<p>Please review FTE calculation method on either Forgiveness application for a breakdown.</p>
<p>Can we use just payroll for the amount of weeks we use to reach the forgiveness amount</p>	<p>Yes, you can use the full PPP loan amount for payroll and remain eligible for full forgiveness</p>
<p>Hi, if you kept some employees on, are you able to use their salary as part of the PPP?</p>	<p>Eligible payroll costs include: Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee); however 1099 are not include in eligible payroll costs as they can apply on their own behalf</p>
<p>The worksheet from my bank is not making sense to me. It does not seem to be counting any of my Rent to be forgiven. I may not need it as my payroll might exceed the PPP I was granted.</p>	<p>More specific information about your scenario is required. At least 60% of the PPP must be for payroll. In general: What can I use these loans for? You should use the proceeds from these loans on your:</p> <ul style="list-style-type: none"> <li>• Payroll costs, including benefits;</li> <li>• Interest on mortgage obligations, incurred before February 15, 2020;</li> <li>• <b>Rent, under lease agreements in force before February 15, 2020;</b> and</li> <li>• Utilities, for which service began before February 15, 2020.</li> </ul>
<p>Could you use the PPP Loan for Employee's Wage Garnish          Could you use the PPP loan for State &amp; Federal Employee Taxes          Could you use the PPP Loan for State DFML          Could you use the PPP Loan for heating oil, what is the timeline?</p>	<p>Payroll costs include: • Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee); • Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit; • State and local taxes assessed on compensation; and • For a sole proprietor or independent contractor: wages, commissions, income, or net earnings fro</p>

<p>Is it best for forgiveness purposes to use all PPP funds ONLY for GROSS wages paid? (That means WITHOUT including ANY employer payroll taxes paid to Federal and State). This seems to be simpler and minimally "at risk" of future legislative PPP adjustments, that seem to occur constantly.</p>	<p>Payroll costs include: • Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee); • Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit; • State and local taxes assessed on compensation; and • For a sole proprietor or independent contractor: wages, commissions, income, or net earnings fro</p>
<p>Company payroll is processed using the Desktop version of Intuit's Quickbooks along with their Direct Deposit service. Payroll entered is transmitted to Intuit which draws the net payroll from the company account the day before payday and direct deposits to employee accounts on payday. What is required to support the payroll paid? Will reports run from the software be acceptable? Perhaps with copy of the bank statement page showing the Intuit withdrawal?</p>	<p>Please refer to SBA Loan Forgiveness application instructions found at <a href="http://www.sba.gov/paycheckprotection">www.sba.gov/paycheckprotection</a> for examples of acceptable payroll documentation.</p>
<p>How do we apply? Is there a deadline? What is needed for backup of use of the money?</p>	<p>Borrower will apply with their lender for loan forgiveness</p>
<p>How do you turn it into a grant? If have a small amount left in the account, how do you clear that amount?</p>	<p>Borrowers will apply with their lender for loan forgiveness to request the loan be turned into a grant once funds are used for payroll costs and eligible non-payroll expenses. Any amounts not forgiven, can be repaid back to the lender of record either as a lump sum or over the remaining term of the loan (subject to interest accrual at a fixed interest rate of 1%)</p>
<p>Do you have to choose 8 OR 24 weeks or can you use 8 and up to 24 weeks? Can you reduce staff at end of 8 weeks even if you have not applied yet for forgiveness, if are using the 8 week plan?</p>	<p>All PPP approved on June 5th and beyond have 24 weeks as part of the PPP Flexibility Act. For Loans approved prior to June 5th, they have the option to choose 8 or 24 weeks.</p>

<p>Self employed - how to calculate payroll paid? Schedule C profit was used for original calculation</p>	<p>Owner Compensation (owner-employees, a self-employed individual, or general partners): For a 24-week Covered Period, this amount is capped at \$20,833 (the 2.5-month equivalent of \$100,000 per year) for each individual or the 2.5-month equivalent of their applicable compensation in 2019, whichever is lower. For an 8-week Covered Period, this amount is capped at 8/52 of 2019 compensation (up to \$15,385). Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees. b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period: i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state. c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the Borrower included in the forgiveness amount (PPP Schedule A, lines (6) and (7))</p>
<p>Lucky's Cafe closed its doors on 3/17. My employees are collecting UI benefit and for various reasons have decided not to return when we can reopen. I would qualify for \$20,000 in payroll benefits under the PPP program. Can I use that money to pay newly hired employees when we are able to restart the business? Can the loan be forgiven under those circumstances? My wife is the chef at Lucky's. We file our annual taxes jointly with 2 Schedule Cs. She files as an independent sole proprietor. If she applies for the PPP, can we use that money to subsidize her income until we become fully operational and she can work regular hours. Is that loan forgivable. Thank You - Peter Armer</p>	<p>When it comes to rehiring, the PPP Loan can be used to restore your full-time employment and salary levels for any changes made, this can include the hiring of newly hired employees if existing/former employees do want wish to return. Please review the EZ Forgiveness Application Instructions as it provides details pertaining to employee retention. The link can be found here: <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a>. If your wife is considered an independent contractor you should not add her to your PPP loan calculation and she should file a separate application. Please review the How To Calculate My Maximum PPP Loan form as it breaks down who each eligible entity should calculate their PPP loan amount. The link to this form can be found here: <a href="https://www.sba.gov/document/support-how-calculate-ppp-loan-amounts">https://www.sba.gov/document/support-how-calculate-ppp-loan-amounts</a></p>
<p>We are at 25% capacity of work force. Our line of work, chair car service for DDS is on hold, some of our Adult Day has only 20% back due to the restrictions the state has put on us. We will be running out of funds middle of August, will our PPP loan will we be forgiven?? What is the percentage rate will be if we have not run out of our loan? If we have exhausted our loan, do we have to pay back? and what time frame??</p>	<p>There are several safe harbors available if full employment cannot be met. Please review list at <a href="https://www.sba.gov/paycheckprotection">sba.gov/paycheckprotection</a>. Any loan amount not forgiven will be paid following the terms and maturity of the note. These Safe Harbors were put in place after the signing of the Flexibility Act, you should review the instructions on the loan Forgiveness Application. Here is the link on SBA's website where you can find and review the instructions: <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a></p>

<p>When can loan forgiveness application be submitted? Can it be anytime after 8 weeks?</p> <p>What specific documentation is required?</p>	<p>Once the borrower has exhausted all PPP funds or has met all forgiveness requirements, they can submit the loan forgiveness app to the lender. The loan forgiveness portal that our lending partners will be using to submit your forgiveness application will officially be active on August 10th. Yes you can ask for forgiveness after the 8 week covered period. Your lender will have 60 days to review and submit your forgiveness application to the SBA from the time they received a completed application (that includes supporting documents). SBA will have up to 90 days to review and remit forgiveness payment to your lender. Your lender will be responsible for letting you know the final forgiveness decision. Please review the EZ Forgiveness Application Instructions to find out what required supporting documentation you will need to submit and retain. The link to the instructions can be found here: <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a>.</p>
<p>How is PPP impacted if the company needs to close?</p>	<p>Borrower is still encouraged to apply for forgiveness however full loan forgiveness may not occur as program requirements and uses were not fully met.</p>
<p>When is application due for forgiveness</p> <p>What % must be for employees and what does that include? ie health insurance, cell phones, payroll &amp; salary, repairs to employee car, etc</p> <p>can owner pay himself or just W-2 and 1099 recipients?</p>	<p>Please review the EZ Forgiveness Application Instructions as this document provides a complete summary of eligible payroll costs and non payroll costs as well as maximum amounts for employees and owners based on the covered period utilized by the borrower. The link can be found here: <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a>.</p>
<p>I wrote paper checks for the business utility payments. However, the bank used them electronically so now I do not have a check to prove anything. IS this ok?</p>	<p>Most banking institutions can pull the electronic image of the check upon request. Some notate the information from the check on your monthly statements. Contact your financial institution to see if they offer either option to help you retain records of your utility payments.</p>

<p>My confusion lies in the area of FTE changes.</p> <p>Background: We laid off 5 employees in March and of the 5 we just brought one back on 7/13, one is unfortunately deceased, and the other three we do not want back. We have hired a few new people and are down one due to a serious injury outside of work.</p> <p>Question: Will we be penalized because we did not increase our FTE's during the applicable 8 week period of our loan (4/19-6/13), or are we covered under the "Safe Harbor" as long as we increase our FTE's by 12/31/20? If the Safe Harbor applies, will we still get it if we did not offer the three laid off employees their positions back? So we have nothing in writing stating we offered and they declined.</p> <p>Feel free to contact me if you need clarification. Thank you!</p>	<p>Please see question on line 18 above for Safe Harbor exceptions; Also review the EZ Forgiveness Application Instructions as it has details pertaining to employee retention in regards to Safe Harbor as well as documentation each borrower needs to retain with regards to hiring, rehiring, terminating employees, etc. The link on SBA's website can be found here:  <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a>.</p>
<p>If certain expenses are determined to not be forgivable, will the employer have the opportunity to resubmit the forgiveness application with another forgivable expense?</p>	<p>Please review the EZ Forgiveness Application Instructions as it provides the summary of eligible non payroll costs at the bottom of page 3. The link to the instructions can be found here:  <a href="https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers">https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers</a></p>
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