

Paycheck Protection Program – Forgiveness Calculation Tool

This calculation tool is intended to help provide borrowers with information and calculations related to the forgiveness phase of the PPP program, and is current as of the date of publication. Since guidance is still pending, it is subject to change at any time.

FORGIVENESS CALCULATION^{1,2}

Step One: Amount of actual payroll costs incurred during the covered 8 week period: \$ _____

Step Two: Actual costs incurred during the covered 8-week period for any payment of interest only on any covered mortgage obligation (may not include any prepayment of or payment of principal on a covered mortgage obligation): \$ _____

Step Three: Actual costs incurred during the covered 8-week period for any payment of rent on any covered rent obligation: \$ _____

Step Four: Actual costs incurred during the covered 8-week period for any payment of covered utilities: \$ _____

Step Five: ADD together all numbers in Steps 2-4 for a non-payroll costs SUBTOTAL of: \$ _____

Step Six: ADD together all numbers in Steps 1-4 for a GRAND TOTAL of: \$ _____

Step Seven: Divide the amount in Step 5 by the amount in Step 6. If the amount in Step 5 is more than 25% of the amount in Step Six, then the amount forgiven will be reduced accordingly such that the non-payroll costs equal no more than 25% of the total amount forgiven. If the amount is equal to or less than 25% then there will be no adjustment to the forgiveness amount at this phase so the Adjusted Grand Total equals the Grand Total from Step Six. Put applicable ADJUSTED GRAND TOTAL here: \$ _____

Step Eight³: Divide the average number of full-time equivalent employees per month employed by borrower during the 8-week covered period by one of two numbers, at the election of the borrower:

- a. The average number of full-time equivalent employees per month employed by the borrower during the period beginning on 2/15/2019 and ending on 6/30/2019;
- OR**
- b. The average number of full-time equivalent employees per month employed by the borrower during the period beginning on 1/1/20 and ending on 2/29/20.⁴

Place quotient here: _____

If the quotient equals “1” or is greater than “1” then skip to **Step Ten**.

If the quotient is less than “1” then move on to **Step Nine**.

¹ A specific calculator has not been created by SBA or Treasury; nor has guidance around forgiveness been finalized as of the date of this publication. As a result, the guidelines mentioned here, and the calculations described here are subject to further change. This information is current as of the date of this publication based on the law and rules in existence at this time.

² This calculation process assumes no EIDL grant received by borrower. If an EIDL grant was received and used for the same purposes as the PPP loan, then the forgiveness amount will be further reduced by the amount of the EIDL grant.

³ If a borrower has employees whom the borrower laid off, extended a written offer to return at the same salary/wages and same number of hours, but the employees refused in writing the offer to return to work, then the borrower should not lower its FTE count for such employees. In other words, only for this subset of employees, the borrower may consider such employees to be employed during the 8-week covered period for purposes of this forgiveness calculation.

⁴ For seasonal employers, use the average number of full-time equivalent employees per month employed by borrower during the period beginning on 2/15/19 and ending on 6/30/19.

Step Nine: If the quotient in Step 8 is less than “1,” the loan forgiveness amount will be reduced accordingly unless no later than June 30, 2020, the borrower has eliminated the reduction in the number of full-time equivalent employees. If the borrower is unable to eliminate the reduction in the number of FTEs by June 30, 2020, then multiply the ADJUSTED GRAND TOTAL from Step Seven, by the number in Step Eight to calculate your ADJUSTED FORGIVENESS AMOUNT: \$ _____.

Step Ten: For every FTE paid during the covered 8-week period, individually determine if any one or more of these employees’ salary or wages during the covered 8-week period were reduced by more than 25% of the total salary or wages of each of those same employees during the most recent full quarter the employees were employed before the covered period.

- ✓ If no reduction occurred for any employee, then skip to **Step Twelve**.
- ✓ If any individual employee’s total salary or wages were reduced by more than 25%, and the borrower is able by June 30, 2020 to eliminate the reduction in salary or wages of such employees, then skip to **Step Twelve**.

For all individual employees’ total salary or wages that were reduced by more than 25%, where the borrower is unable to eliminate the reduction in salary or wages of such employees by June 30, 2020, enter the amount equal to the excess salary or wages greater than 25% here: \$ _____.

Step Eleven: Subtract the amount in Step Ten from the amount in Step Nine (or Step Seven if Nine was skipped) to calculate the NEW ADJUSTED FORGIVENESS AMOUNT \$ _____.

Step Twelve: Enter PPP Loan Amount \$ _____

Step Thirteen: Enter the amount in Step Eleven (or Step Nine if Eleven was skipped; or Step Seven if Nine and Eleven were skipped) here: \$ _____

Step Fourteen: To determine borrower’s ANTICIPATED FORGIVENESS AMOUNT, place the lesser of Step 12 or Step 13 here: \$ _____

Step Fifteen: Subtract Step Fourteen from Step Twelve to calculate the borrower’s ANTICIPATED REMAINING PRINCIPAL LOAN BALANCE: \$ _____ *(Remember, interest accrues from date of loan closing and any amount not forgiven will continue to accrue interest throughout the 24 months of the loan)*