

**Q:** On the forgiveness form, there is a place for the EIDL Advance Amount & EIDL Application number – if you received the EIDG (grant) instead of the advance, do you need to put the amount in there?

**A:** The advance is the grant, this was the \$1,000 per employee up to \$10,000 that didn't have to be repaid. This amount reduces PPP forgiveness.

**Q:** Is the employee portion of FICA and federal withholding included in the forgivable amount?

**A:** Only the Employer portion of federal payroll taxes is included in the forgivable amount

**Q:** By reduction in pay rate do they mean change in the hourly rate or hours worked?

**A:** The reduction in pay rate only refers to the hourly rate or annual salary of each employee, if their total compensation is reduced due to a reduction in hours then it doesn't affect the first calculation.

**Q:** Decrease in pay rate: how does this apply to laid off or furloughed employees?

**A:** The decrease in pay rate would not apply to the laid off or furloughed employees, they would be excluded from the pay rate calculation.

**Q:** Expenses can be only 25% of loan, correct?

**A:** Currently non-payroll costs are limited to 25% of the forgiveness amount not the loan amount.

**Q:** Are cell phone costs considered utilities?

**A:** Cell phone costs are considered utilities but the bill must be in the name of the business.

**Q:** Is the head count calculation strictly total hours divided by 40 without regard to the actual number of employees?

**A:** The head count calculation is performed for each employee, you have to first calculate the average hours worked per week, then divide that amount by 40, you then add up these amounts for all employees.

**Q:** What if your business sells within the next year? Would you have to pay the loan back?

**A:** The SBA hasn't addressed this issue, the loan will be in the name of the entity, if you sell the stock or units of the business the buyer will want the loan to be repaid, if the assets are sold and the entity remains open then we don't believe the loan will need to be repaid.

**Q:** When do you need to be submitting the loan forgiveness application form by?

**A:** The form currently has an expiration date of 10/31/20.

**Q:** Our payroll runs 1-15<sup>th</sup> paid on 16<sup>th</sup> and 16-last day of the month paid first day of the next. We got our PPP funds on the 13<sup>th</sup>, so payroll due 3 days after our funding came through. Do I count 2 days of that payroll as the beginning of the 8 weeks?

**A:** The payroll paid 3 days after funding is fully includable in PPP forgiveness.

**Q:** If we use 100% of the funds for payroll and can document that can 100% of the loan be forgiven?

**A:** Yes there is no requirement to spend PPP proceeds on expenses other than payroll, so if all the funds were spent on payroll they would all qualify for forgiveness.

**Q:** Example: I had 9 employees averaging 30hrs/week. 6.7 full time equivalent. I now have 5 employees working 40hrs/week. 5 full time equivalent How many employees do I have to bring back?

**A:** You have to look at each employee to determine their FTE. Assuming all of you 9 employees were working 30 hours if you used the simplified method they would be 4.5 FTE, your 5 employees at 40 hours per week would be 5 FTE and you won't have any reductions.

**Q:** How is the 401k retirement benefits calculated? Also the amount paid to the defined cash balance program?

**A:** 401(k) amounts are calculated based on your plan, any employer contributions paid during the 8 week covered period may be included.

**Q:** Our 8 weeks ends on 6/8. We have payroll scheduled for 6/15, for 6/1-6/15 pay period. Should we break the pay period into 2, and process half of payroll on 6/5?

**A:** You can include the payroll for 6/1-6/8 in your forgiveness calculation because they will be paid in the first payroll after your covered period ends.

**Q:** Would propane/gas used for wind machines be considered a utility?

**A:** We don't know what is included for transportation utility for sure, but I don't think that fuel for wind machines will be included.

**Q:** Can we pre-pay health insurance or is expenses restricted to 1 per month?

**A:** We believe that the prepaid insurance would be included so that include 2 months for the 8 week covered period plus one month paid inside the 8 week period for the month following.

**Q:** Can we give employees a bonus and have that forgiven?

**A:** Wages can include employee bonuses are included in forgiveness as long as the total for the 8 week period doesn't exceed \$15,385 for any employee.

**Q:** With our retirement program, there is a safe harbor and profit sharing that is equivalent to 3% of the employee's wage. Can I take gross wages of each employee from Jan 1<sup>st</sup> to the end of the covered period and submit that 3% to the retirement program? Is that forgiven dollars?

**A:** Yes any amount of retirement contribution made for employees during the 8 week covered period is included in forgivable payroll expenses.

**Q:** As an owner of a corporation are we able to pull the 15,384 for ourselves even if we did not take close to the hundred thousand limit last year?

**A:** Yes, there is no restriction in increasing salaries.

**Q:** If we laid off employees and they did not apply for unemployment and I rehire when I got the PPP, can I back pay them for the laid off time and have that forgiven?

**A:** Yes, wages specifically include back pay as long as the amounts are paid during the 8 week covered period.

**Q:** When do we have to apply for the forgiveness?

**A:** The forgiveness application has an expiration date of 10/31/20

**Q:** Did I understand that the "forgiveness" for salaries paid to employees is not a problem but forgiveness for self-employed/partners is subject to some conditions?

**A:** Self-employed and general partners were not included in the forgiveness application instructions, previous guidance has suggested that their forgiveness will be based on 2019 self-employment income up to the maximum \$15,385 per person.