

Can we use more than 60% on payroll? If 75% is used on payroll will it be fully forgiven? Can we apply for forgiveness after full amount has been spent or would we have to wait until 12/31/2020 (cure period) due to headcount?

You can use more than 60% on Payroll. If you use more than 75%, the loan will be forgiven. You can start the application for the business as soon as your covered period ends. And, you have 10 months from that date to apply.

Are we able to use a portion of the PPP funds to purchase equipment that is needed to set up our employees to work remotely? In other words, is equipment a covered expense?

Equipment does not really fall under any of the categories: Payroll, Mortgage Interest, Rent, Utilities.

We have used 95% on payroll will it be forgiven.

Yes, if 60% is for Payroll, the loan will be forgiven.

As an LLC I am self-employed. How do I prove that I am using the funds for payroll when I do not have W-2 wages?

1) Use the EZ Form or the "simplified forgiveness application." 2) You would just need to provide your 2019 Schedule C and ensure you tracked what you paid yourself. The Treasury has indicated that if you filed a Schedule C for 2019, you must use it when applying for the PPP.

From Abby Scanlan: If 60% or more of the funds have been used on Payroll, the loan will be forgiven. You can refer to Page 8 when you receive the deck.

Can employees who are typically full time but requested reduced hours be counted as full time during the coverage period?

Yes, I would refer to the deck pp. 17-18.

MY LLC had an employee leave in March as she got another job. If we offer her job back and she declines, can we still count her salary in our forgiveness documentation?

You can include her salary, but you need to ensure you document her rejection and still spend the 60% from the total you received to be forgiven.

What if our FTE work a 37-hour week? We have always worked 37 hours per week for our FTE employees.

Government standard is 40 hours for FT. You will need to refer to the page about the FTE calculations to figure your numbers based on the Act.

If you use the 8 weeks, is that FTE count for the end of the 8 weeks or Dec 31st?

Not quite sure what this is asking? But refer to the deck about FTE count.

And to add to Kimberly HT question, where does the June 30 count come in?

June 30 is the deadline for PPP loans. This is not the Loan forgiveness deadline. You have up to 10 months after the coverage period ends to apply for forgiveness.

I am an owner-employee. In applying for the PPP, I accurately disclosed my 2019 wages were in excess of \$100k limit. The application asked for the base limit of \$99,999 for any employee with an excess above that base. In the PPP Forgiveness application, I see a limit for owner-employees of \$15,385. Is this accurate? I would think it would be \$8,333.33 per month or \$16,666.66 would be considered the appropriate amount for owner-employees.

The PPP limits compensation to an annualized salary of \$100,000. For sole proprietors or independent contractors with no employees, the maximum possible PPP loan is therefore \$20,833, and the entire amount is automatically eligible for forgiveness as owner compensation replacement. Not sure if this answers this question.

Can you go over exemptions again, please?

Please refer to the deck, pp.13-14.

FTE question- the loan application asked for "number of employees"- we included FT and PT in the total #- 275. Now the forgiveness is based on FTE calculation which will be lower. How does that factor into forgiveness?

Please refer to the deck, pp.15-16.

If the loan is forgiven, does it become taxable income to the business?

No.

Do I have to apply for forgiveness by June 30 if I am going with the original 8 week period?

You have up to 10 weeks after the coverage period ends to apply for forgiveness.

Your list does not mention leases for business property but that was in the original documents. Can you clarify?

If part of the lease includes rent, yes.

Abby Scanlan: Reminder: Borrower has up to 10 months after the end of the covered period to apply for forgiveness.

Utilities are currently narrowly defined...can they be extended to things like computer servers, etc.?

As we understand, utilities are counted as Gas, Water, Electric, Sewage, Telephone (landline or wireless), Internet Bill, Transportation.

Is transportation limited to cars or also other travel expenses?

They have not clarified what transportation costs entails so the standard transportation cost calculations that are used for tax reporting purposes are being followed.

I have information from another source that although owners cannot include health care expenses, they can include retirement contributions and state taxes.

All of these can be included.

Arre owner retirement contributions limited to the \$20.833?

This was just an example on the deck.

From Abby Scanlan: The PPP loan, whether partial or fully forgiven, will not count as taxable income.

What if loan money runs out at 12 weeks? Do you need to keep FTE for 24 weeks?

If you used the money appropriately, you could adjust your FTE as necessary after the designated time you choose.

Is the EIDL grant the same as the EIDL advance?

Yes. Any EIDL advance you received is considered a grant. It is separate from the EIDL loan itself. Keep in mind that any EIDL advance you received will need to be deducted from the forgiveness amount you calculate.

From Abby Scanlan: The EZ Application can be used if you did not reduce your employee salary by 25%.

What should you do if you counted FTE at 30 hours or more on PPP application and not at 40 hours?

Refer to the deck pp. 17-18.

Is it correct that money spent from the forgivable part of the loan is then not deductible as an expense for tax purposes?

Correct. Any expenses that you claim for forgiveness under the PPP cannot be deducted from your expenses on your taxes