

CARES Act PPP Loan Expense Tracker & Forgiveness Calculator

In response to the Paycheck Protection Program Flexibility Act we have created one Workbook that covers both the 8-week Covered Period and 24-week Covered Period options.

Simply choose which version you want to use (click on one below):

[Green Tabs are for the 8-week version](#)

[Blue Tabs are for the 24-week version](#)

Not sure which Covered Period to use?

Simply start with the 8-week version, then Copy and Paste your Input data to the 24-week input worksheets, add the additional data for the extended period and continue. There is no need to re-input your data.

Need more help?

[Click here for the link to the current Instructional Video on YouTube](#)

Note - This Instructional Video is for version 1.6 of the Excel Workbook - all of the information in the video is still applicable to this current version. This link will be updated for future editions of the Instructional Video.

Forgiveness Applications - Forms 3508 and 3508EZ - Which one do you use?

HEALTH CARE AND PENSION CONTRIBUTIONS FOR DIFFERENT CATEGORIES OF PPP BORROWERS

Expense Type	Sole Proprietor/ Independent Contractor – No Employees	Sole Proprietor w/ Employees	Partners in Partnerships	S Corporations	C Corporations
Group Health Expenses for Owners	0	0	0	*0	As paid or incurred during 8 or 24 weeks
Group Health Expenses for Employees	N/A	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks
Retirement Plan Expenses for Owners	0	0	0	** As paid or incurred during 8 or 24 weeks	** As paid or incurred during 8 or 24 weeks
Retirement Plan Expenses for Employees	N/A	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks	As paid or incurred during 8 or 24 weeks

* Payments for health insurance for more than 2% owner reported in compensation. Will likely now be subject to Owner compensation cap.

** Pension costs for owner employee now appear to be limited to 2.5 months' worth of the 2019 contribution amount (based on instructions to Form 3508EZ from SBA).

GETTING USED TO PERCENTAGE LIMITATIONS AND HEALTH INSURANCE/PENSION LIMITATIONS

Key Percentages and Amounts
2.5 divided by 12 = 20.833%
20.833% of 2019 "payroll" or Schedule C net income determine the loan amount
8/52 = 15.385%
Maximum forgiveness per employee earning more than \$100,000 for 8 weeks - \$15,385
24/52 = 46.154%
Non-owner employee Maximum counted for 24 weeks - \$46,154

	Independent Contractor	Owner/Employee	Non- Owner/Employee
8 weeks	\$15,385	\$15,385	\$15,385
24 weeks	\$20,833	\$20,833	\$46,154
	Cannot include health insurance or retirement plan expenses	Health insurance is considered as included in compensation – will include retirement plan expenses subject to the 2.5 months of 2019 contribution limitation	Will include group health insurance and retirement plan expenses

Enter data in the light blue cells only

Company name: 0

OK - Your Payroll Equals Total From Expense Tracker

PPP Schedule A Worksheet, Table 1 Totals

Line 1 - Total Cash Compensation (Box 1 of Worksheet) -

Line 2 - Enter Average FTE (Box 2 of Worksheet) -

Line 3 - Enter Salary/Hourly Wage Reductions (Box 3 of Worksheet) -

PPP Schedule A Worksheet, Table 2 Totals

Line 4 - Total Cash Compensation (Box 4 of Worksheet) -

Line 5 - Enter Average FTE (Box 5 of Worksheet) -

Non-Cash Compensation Payroll Costs during period:

Line 6 - Total amount paid for Health Insurance 0.00

Line 7 - Total amount paid for Retirement Plan contributions 0.00

Line 8 - Total amount paid for employer state and local taxes 0.00

Line 9 - Compensation to Owners (from Schedule A Worksheets) -

Line 10 - Total Payroll Costs -

You must complete the Safe-Harbor 2 FTE computation in Tab PPP Schedule A Worksheets before proceeding.

STOP, YOU DO NOT NEED TO COMPLETE THE FTE REDUCTION SECTION

FTE Reduction Calculation:

If you have NOT reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period - Enter YES **NO**

FTE Reduction Safe Harbor 1: If you were unable to operate between 2/15/20 and the end of the Covered Period at the same level of activity as before 2/15/20 due to compliance with requirements established or guidance issued between 3/1/20 and 12/31/20 from HHS, CDC or OSHA related to maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to Covid-19, answer YES here: **NO**

If YES to either of the above, skip Lines 11 and 12

Line 11 - Reference Period FTEs calculation

Enter FTEs for reference periods:

February 15, 2019 to June 30, 2019 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

January 1, 2020 to February 29, 2020 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

Is your business considered a "seasonal business" Enter YES or NO **NO**

If YES - enter FTE for your chosen 12-week period between May 1, 2019 and September 15, 2019 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

Line 11 - Reference Period FTEs 0.00

Line 12 - Total Average FTE computation

Average FTEs (Line 2 + Line 5) 0.00

FTE Reduction Exceptions (These should be added to the Line 2 total above)

Add FTEs for rehire rejections by employees

Must be pursuant to a written offer, be sure to obtain a written rejection.

Add FTEs for employees fired for cause during the Period

Document employee termination information.

Add FTEs for employees who voluntarily resigned

Document employee election to terminate employment.

Add FTEs for employees who requested a reduction in their hours

Document request in writing.

Additional FTE Reduction Exceptions from PPP Flexibility Act:

Add FTEs for employees you were unable to rehire that were employed on February 15, 2020

Waiting for further guidance on how to document this.

Add FTEs for employees you could not hire because you could not find similarly qualified employees

Waiting for further guidance on how to document this.

Line 12 - Total Average FTE Total 0.00

Line 13 - FTE Reduction Quotient #DIV/0!

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Version 1.9 06-17-20 UPDATED TO REFLECT 6-17-20 IFR and PPPFA changes.
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Forgiveness Amount Calculation: DO NOT ENTER ANY DATA ON THIS WORKSHEET

Company name:	0
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Payroll and Nonpayroll Costs

Line 1 - Payroll Costs	-
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Line 2 - Business Mortgage Interest Payments	0.00
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Line 3 - Business Rent or Lease Payments	0.00
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Line 4 - Business Utility Payments	0.00
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Adjustments for Full-time Equivalency and Salary/Hourly Wage Reductions

Line 5 - Total Salary/Hourly Wage Reduction	-
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Line 6 - Total of Lines 1-4, minus Line 5	-
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Line 7 - FTE Reduction Quotient	100%	If you meet the Safe Harbor from the PPP Schedule A Worksheets, this amount will be 100%
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Potential Forgiveness Amounts

Line 8 - Modified Total (multiply Line 6 by Line 7)	\$ -
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Line 9 - PPP Loan Amount	\$ -
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Line 10 - Payroll Costs 60% Requirement (updated for the PPP Flexibility Act change)	\$ -
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Line 11 - Forgiveness Amount (lesser of Lines 8, 9, and 10)	\$ -
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NOTE - SBA WILL DEDUCT EIDL GRANT AMOUNTS FROM THIS FORGIVENESS AMOUNT.

Estimated Loan Balance After Forgiveness	\$ -	This is for your information only.
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Version 1.9 06-17-20 UPDATED TO REFLECT 6-17-20 IFR and PPPFA changes.
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Form 3508EZ - Forgiveness Amount Calculation: Answer the questions below.

Company name:

Do you qualify to use Form 3508EZ - Answer all of these questions below:

"YES" or "NO"

Are you self-employed, independent contractor, or sole-proprietor who had no employees at the time of the PPP Loan Application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application?

You did NOT reduce any effective pay rates for salaried or hourly employees by more than 25% during the applicable Covered Period as compared to 1/1/20 to 3/31/20 (Applies to only employees with an annualized pay rate of \$100,000 or less in 2019) AND you did NOT reduce the number of employees or average paid hours of employees between January 1, 2020 and the end of your Covered Period?

You did NOT reduce any effective pay rates for salaried or hourly employees by more than 25% during the applicable Covered Period as compared to 1/1/20 to 3/31/20 (Applies to only employees with an annualized pay rate of \$100,000 or less in 2019) AND you were unable to operate during the applicable 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 HHS, CDC or OSHA related to COVID-19?

If you answered YES to any one of these questions, you can use the Form 3508EZ.

If you did not answer YES to any one of these questions, DO NOT use the Form 3508EZ.

Payroll and Nonpayroll Costs

Line 1 - Payroll Costs

Line 2 - Business Mortgage Interest Payments

Line 3 - Business Rent or Lease Payments

Line 4 - Business Utility Payments

Potential Forgiveness Amounts

Line 5 - Modified Total (multiply Line 6 by Line 7)

Line 6 - PPP Loan Amount

Line 7 - Payroll Costs 60% Requirement (updated for the PPP Flexibility Act change)

Line 8 - Forgiveness Amount (lesser of Lines 5, 6, and 7)

NOTE - SBA WILL DEDUCT EIDL GRANT AMOUNTS FROM THIS FORGIVENESS AMOUNT.

Estimated Loan Balance After Forgiveness This is for your information only.

Thank you for giving us the opportunity to help you determine your Paycheck Protection Program Loan Forgiveness amount. Based on information you provide, we will use our PPP Loan Expense Tracker and Forgiveness Calculator to track your expenses and calculate your loan forgiveness amount. Below you will find details about the expenses you should be tracking as well as how the calculations that determine your PPP Loan Forgiveness amount are performed.

A key aspect of the PPP Loan Forgiveness process is thoroughly tracking your expenses for the applicable eight-week period. The calculator includes a handy expense tracker that allows users to record every itemized expense for both payroll costs and non-payroll costs. We recommend you track your expenses as you go, rather than wait until the end of the period. Tracking as you go should give you ample time to make any spending or planning changes should the SBA release new guidance that could affect your forgiveness.

Please be mindful of the eight-week period to which you will be subjected. Ordinarily, the eight-week covered period will begin on the calendar day you receive the loan, no matter what time of day, and end 55 days thereafter. Borrowers who have a bi-weekly or more frequent payroll may choose a different measurement for tracking Payroll Costs. This "Alternative Payroll Covered Period" begins on the first day of the first pay period after the loan funding date and ends 55 days thereafter.

As you approach the end of your eight-week period, a phrase we encourage you to remember is "when in doubt, pay it out." If there is an ambiguity in the rules regarding whether an expense can be included in your payroll costs or non-payroll costs for the purposes of forgiveness, you should consider going ahead and including that expense. The SBA has issued rules stating that when you submit your Forgiveness Application, you may rely on the rules and guidance that are in place at that time. The SBA's rules and guidance on the PPP Loan Forgiveness process are constantly evolving, so it is important to submit your Application as soon as possible after the end of your eight-week period. This will limit the chance that you will be affected by a last-minute rule change by the SBA.

The first step in calculating your forgiveness is determining your total payroll costs for the covered eight-week period. We do this by adding the total compensation for employees making less than \$100,000 per year, the total compensation for employees making more than \$100,000 per year, the total compensation for owners, the total paid for health insurance, the total paid for contributions to retirement plans, and the total paid in payroll taxes.

When calculating compensation, you may include payments for normal salary and wages, hazard pay, bonuses, tips, commissions, and severance pay. For any employee making more than \$100,000 a year, their compensation for the 8-week period cannot exceed \$15,385. Also keep in mind that payroll taxes will only include those charged to the employer. Taxes charged to the employee may not be included. Many borrowers have asked whether retirement plan contributions that have not been paid for 2019, or any other contribution, can be included in payroll costs, if they are paid during the eight-week period. Presently, the SBA's guidance appears to allow this; however, we recommend borrowers pay close attention to future SBA guidance should they choose to restrict these contributions.

Compensation for employees making <\$100,000:	\$	-
Compensation for employees making >\$100,000:	\$	-
Total compensation for owners:	\$	-
Total paid for health insurance:	\$	-
Total paid in retirement plan contributions:	\$	-
Total paid in state and local payroll taxes:	\$	-
Total payroll costs:	\$	-

Next, we need to calculate your **non-payroll costs**. Non-payroll costs consist of payments on mortgage interest in place before 02/15/2020, rent or leases, and utilities.

Currently, prepaid mortgage payments cannot be included in the covered non-payroll expenses. However, as of now, there are no restriction on payments in arrears. Late payments or deferred payments that are paid during the eight-week period appear to be included in non-payroll costs. Rent or lease payments will also include payments on any leased item, as opposed to just real estate. This might include things like office equipment, vehicle leases, or even storage unit leases. Borrowers who are paying below-market rates may want to consider modifying those rates to market value. Capital leases will most likely not be included in non-payroll costs. Utility expenses will include payments for electricity, gas, water, transportation, telephone, and internet access.

Interest payments on mortgages in place prior to 02/15/2020:	\$	-
Payments made on rent or leases:	\$	-
Payments made for utilities:	\$	-
Total non-payroll costs:	\$	-

As a final note on tracking expenses, the SBA and lenders will require supporting documentation for each expense covered during the eight-week period. Per the SBA's rules, these documents will need to be retained by the borrower for 6 years following the submittal of the PPP Loan Forgiveness Application.

Next, we need to make adjustments for **full-time employee equivalency and salary/hourly wage reductions**, if any. Reductions in the number of employees or their hours and wages could result in a reduction to a borrower's forgiveness amount. For the purposes of these calculations, any employee who is full-time (averaging more than 40 hours a week during the eight-week period) will count for one point. There are two ways to count employees working part-time (averaging less than 40 hours a week during the eight-week period). You may elect to have part-time employees counted for one half of a point regardless of the hours they worked or you can count them as a fraction of a point based on the amount of hours they actually worked. For example, a part-time employee working 24 hours a week would have an FTE of 0.60.

The sum of these totals will be known as your "FTE". Using these values, we will calculate the average amount of FTE you had during the period from 02/15/20 to 04/26/20 as well as the total FTE you had during the pay period including 02/15/20. If the total number of FTE you had during the pay period including 02/15/20 is greater than the total number of FTE you had during the period from 02/15/20 to 04/26/20 then we can continue to see if you've met the FTE Reduction Safe Harbor. We'll need to calculate the FTE you had as of 06/30/20 or earlier. If this number is greater than or equal to your FTE from the pay period including 02/15/20 you will have met the FTE Reduction Safe Harbor. If not, you will be subject to FTE Reductions.

Total average FTEs between 2/15/20 - 4/26/20:	0.00
Total FTEs for the pay period that included 2/15/20:	0.00
Total FTEs as of June 30, 2020, or earlier:	0.00
Reference Period FTE:	0.00

Please remember that reducing an employee's salary or hourly wage rate by 25% between 01/01/20 and 03/31/20 will also result in a forgiveness reduction. The reduction in forgiveness will be equal to the actual amount of that salary/wage reduction. Employees making more than \$100,000 will be exempt from this reduction.

If you are subject to an FTE Reduction, we will need to determine your **FTE Reduction Quotient**. To perform this calculation, we'll need to factor in the FTE Reduction Exceptions that are allowed. You may add one FTE for every employee that rejects a rehire, every employee that is fired for cause during the period, any employee who voluntarily resigns, and any employee who requests a reduction in their hours. Employees who have passed away or are incapacitated due to the virus may also count towards these exceptions. Adding this sum to your total FTEs for the period will yield your Total Average FTE. If your Total Average FTE is greater than your Reference Period FTE then you will have met the safe harbor and your FTE Reduction Quotient will be 100%. If your Reference Period FTE is greater than your Total Average FTE then your FTE Reduction Quotient will equal your Total Average FTE divided by your Reference Period FTE.

Rehire rejections by employees:	0.00
Employees fired for cause during the period:	0.00
Employees who voluntarily resigned:	0.00
Employees who requested a reduction in their hours:	0.00
Employees you were unable to rehire/replace:	0.00
Total Average FTE:	0.00
Reference Period FTE:	0.00
FTE Reduction Quotient:	#DIV/0!

In order to certify any FTEs you counted due to Exceptions, be sure to document any action that led to the exception. Make sure to document in writing, if possible, any rehire rejections by employees, any termination of an employee for cause during the period, an employee's voluntary resignation, and any request from employees for a reduction in hours.

At this stage we can calculate your **potential forgiveness amounts**. There are three different amounts that you could potentially be forgiven for: The original loan amount, the modified total, or the payroll costs 75% requirement (this may change to 60%). Your forgiveness amount will be equal to the lesser of the three potential options. If you are not subject to any reductions and you have met the Safe Harbor, you may be eligible to have your loan totally forgiven. The modified total will equal the sum of all your qualified expenses during the period (minus any wage or hourly rate reductions) multiplied by your FTE Reduction Quotient. Finally, if payroll costs made up at least 75% (this may change to 60%) of your total costs for the period and you are not subject to any other reductions then you are eligible for full forgiveness. However, if your payroll costs do not meet the 75% requirement then the amount of forgiveness you are eligible for will be equal to your payroll costs plus an additional 1/3 of your payroll costs. This is because the PPP requires a 3:1 ratio of payroll costs to non-payroll costs.

Original loan amount:	\$	-
Modified total:	\$	-
Payroll costs 60% requirement:	\$	-
Your Forgiveness Amount:	\$	-

Please note, that if you are an EIDL Advance recipient that this is not the amount of forgiveness you will actually receive as the SBA will automatically deduct EIDL Advance amount from your forgiveness amount.

Your EIDL Advance Amount:	\$	-
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After subtracting your EIDL Advance amount from your forgiveness amount, we can determine your estimated remaining loan balance.

Estimated remaining loan balance:	\$	-
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Please carefully examine the above values to ensure the accuracy of your information. Thank you.

Enter data in the light blue cells only

Company name: 0

OK - Your Payroll Equals Total From Expense Tracker

PPP Schedule A Worksheet, Table 1 Totals

Line 1 - Total Cash Compensation (Box 1 of Worksheet) -

Line 2 - Enter Average FTE (Box 2 of Worksheet) -

Line 3 - Enter Salary/Hourly Wage Reductions (Box 3 of Worksheet) -

PPP Schedule A Worksheet, Table 2 Totals

Line 4 - Total Cash Compensation (Box 4 of Worksheet) -

Line 5 - Enter Average FTE (Box 5 of Worksheet) -

Non-Cash Compensation Payroll Costs during period:

Line 6 - Total amount paid for Health Insurance 0.00

Line 7 - Total amount paid for Retirement Plan contributions 0.00

Line 8 - Total amount paid for employer state and local taxes 0.00

Line 9 - Compensation to Owners (from Schedule A Worksheets) -

Line 10 - Total Payroll Costs -

You must complete the Safe-Harbor 2 FTE computation in Tab PPP Schedule A Worksheets before proceeding.

STOP, YOU DO NOT NEED TO COMPLETE THE FTE REDUCTION SECTION

FTE Calculation:

If you have NOT reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period - Enter YES **NO**

FTE Reduction Safe Harbor 1: If you were unable to operate between 2/15/20 and the end of the Covered Period at the same level of activity as before 2/15/20 due to compliance with requirements established or guidance issued between 3/1/20 and 12/31/20 from HHS, CDC or OSHA related to maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to Covid-19, answer YES here: **NO**

If YES to either of the above, skip Lines 11 and 12

Line 11 - Reference Period FTEs calculation

Enter FTEs for reference periods:

February 15, 2019 to June 30, 2019 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

January 1, 2020 to February 29, 2020 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

Is your business considered a "seasonal business" Enter YES or NO **NO**

If YES - enter FTE for your chosen 12-week period between May 1, 2019 and September 15, 2019 0.00

This amount will come from the FTE Calcs for Schedule A or you can manually enter amount.

Line 11 - Reference Period FTEs 0.00

Line 12 - Total Average FTE computation

Average FTEs (Line 2 + Line 5) 0.00

FTE Reduction Exceptions:

Add FTEs for rehire rejections by employees **Must be pursuant to a written offer, be sure to obtain a written rejection.**

Add FTEs for employees fired for cause during the Period **Document employee termination information.**

Add FTEs for employees who voluntarily resigned **Document employee election to terminate employment.**

Add FTEs for employees who requested a reduction in their hours **Document request in writing.**

Additional FTE Reduction Exceptions from PPP Flexibility Act:

Add FTEs for employees you were unable to rehire that were employed on February 15, 2020 **Waiting for further guidance on how to document this.**

Add FTEs for employees you could not hire because you could not find similarly qualified employees **Waiting for further guidance on how to document this.**

Line 12 - Total Average FTE Total 0.00

Line 13 - FTE Reduction Quotient #DIV/0!

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Phone 813-286-7373

Version 1.9 06-17-20 UPDATED TO REFLECT 6-17-20 IFR and PPPFA changes.

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Forgiveness Amount Calculation: DO NOT ENTER ANY DATA ON THIS WORKSHEET

Company name: 0

Payroll and Nonpayroll Costs

Line 1 - Payroll Costs -

Line 2 - Business Mortgage Interest Payments 0.00

Line 3 - Business Rent or Lease Payments 0.00

Line 4 - Business Utility Payments 0.00

Adjustments for Full-time Equivalency and Salary/Hourly Wage Reductions

Line 5 - Total Salary/Hourly Wage Reduction -

Line 6 - Total of Lines 1-4, minus Line 5 -

Line 7 - FTE Reduction Quotient 100%

If you meet the Safe Harbor from the PPP Schedule A Worksheets, this amount will be 100%

Potential Forgiveness Amounts

Line 8 - Modified Total (multiply Line 6 by Line 7) \$ -

Line 9 - PPP Loan Amount \$ -

Line 10 - Payroll Costs 60% Requirement (updated for the PPP Flexibility Act change) \$ -

Line 11 - Forgiveness Amount (lesser of Lines 8, 9, and 10) \$ -

NOTE - SBA WILL DEDUCT EIDL GRANT AMOUNTS FROM THIS FORGIVENESS AMOUNT.

Estimated Loan Balance After Forgiveness \$ -

This is for your information only.

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Version 1.9 06-17-20 UPDATED TO REFLECT 6-17-20 IFR and PPPFA changes.
 kcameron@clvalue.com

Form 3508EZ - Forgiveness Amount Calculation: Answer the questions below.

Company name:

Do you qualify to use Form 3508EZ - Answer all of these questions below:

"YES" or "NO"

Are you self-employed, independent contractor, or sole-proprietor who had no employees at the time of the PPP Loan Application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application?

You did NOT reduce any effective pay rates for salaried or hourly employees by more than 25% during the applicable Covered Period as compared to 1/1/20 to 3/31/20 (Applies to only employees with an annualized pay rate of \$100,000 or less in 2019) AND you did NOT reduce the number of employees or average paid hours of employees between January 1, 2020 and the end of your Covered Period?

You did NOT reduce any effective pay rates for salaried or hourly employees by more than 25% during the applicable Covered Period as compared to 1/1/20 to 3/31/20 (Applies to only employees with an annualized pay rate of \$100,000 or less in 2019) AND you were unable to operate during the applicable 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 HHS, CDC or OSHA related to COVID-19?

**If you answered YES to any one of these questions, you can use the Form 3508EZ.
 If you did not answer YES to any one of these questions, DO NOT use the Form 3508EZ.**

Payroll and Nonpayroll Costs

Line 1 - Payroll Costs

Line 2 - Business Mortgage Interest Payments

Line 3 - Business Rent or Lease Payments

Line 4 - Business Utility Payments

Potential Forgiveness Amounts

Line 5 - Modified Total (multiply Line 6 by Line 7)

Line 6 - PPP Loan Amount

Line 7 - Payroll Costs 60% Requirement (updated for the PPP Flexibility Act change)

Line 8 - Forgiveness Amount (lesser of Lines 5, 6, and 7)

NOTE - SBA WILL DEDUCT EIDL GRANT AMOUNTS FROM THIS FORGIVENESS AMOUNT.

Estimated Loan Balance After Forgiveness This is for your information only.

Thank you for giving us the opportunity to help you determine your Paycheck Protection Program Loan Forgiveness amount. Based on information you provide, we will use our PPP Loan Expense Tracker and Forgiveness Calculator to track your expenses and calculate your loan forgiveness amount. Below you will find details about the expenses you should be tracking as well as how the calculations that determine your PPP Loan Forgiveness amount are performed.

A key aspect of the PPP Loan Forgiveness process is thoroughly tracking your expenses for the applicable twenty-four-week period. The calculator includes a handy expense tracker that allows users to record every itemized expense for both payroll costs and non-payroll costs. We recommend you track your expenses as you go, rather than wait until the end of the period. Tracking as you go should give you ample time to make any spending or planning changes should the SBA release new guidance that could affect your forgiveness.

Please be mindful of the twenty-four-week period to which you will be subjected. Ordinarily, the twenty-four-week covered period will begin on the calendar day you receive the loan, no matter what time of day, and end 167 days thereafter. Borrowers who have a bi-weekly or more frequent payroll may choose a different measurement for tracking Payroll Costs. This "Alternative Payroll Covered Period" begins on the first day of the first pay period after the loan funding date and ends 167 days thereafter.

As you approach the end of your twenty-four-week period, a phrase we encourage you to remember is "when in doubt, pay it out." If there is an ambiguity in the rules regarding whether an expense can be included in your payroll costs or non-payroll costs for the purposes of forgiveness, you should consider going ahead and including that expense. The SBA has issued rules stating that when you submit your Forgiveness Application, you may rely on the rules and guidance that are in place at that time. The SBA's rules and guidance on the PPP Loan Forgiveness process are constantly evolving, so it is important to submit your Application as soon as possible after the end of your twenty-four-week period. This will limit the chance that you will be affected by a last-minute rule change by the SBA.

The first step in calculating your forgiveness is determining your total payroll costs for the covered twenty-four-week period. We do this by adding the total compensation for employees making less than \$100,000 per year, the total compensation for employees making more than \$100,000 per year, the total compensation for owners, the total paid for health insurance, the total paid for contributions to retirement plans, and the total paid in payroll taxes.

When calculating compensation, you may include payments for normal salary and wages, hazard pay, bonuses, tips, commissions, and severance pay. For any employee making more than \$100,000 a year, their compensation for the 24-week period cannot exceed \$46,154. Also keep in mind that payroll taxes will only include those charged to the employer. Taxes charged to the employee may not be included. Many borrowers have asked whether retirement plan contributions that have not been paid for 2019, or any other contribution, can be included in payroll costs, if they are paid during the twenty-four-week period. Presently, the SBA's guidance appears to allow this; however, we recommend borrowers pay close attention to future SBA guidance should they choose to restrict these contributions.

Compensation for employees making <\$100,000:	\$	-
Compensation for employees making >\$100,000:	\$	-
Total compensation for owners:	\$	-
Total paid for health insurance:	\$	-
Total paid in retirement plan contributions:	\$	-
Total paid in state and local payroll taxes:	\$	-
Total payroll costs:	\$	-

Next, we need to calculate your **non-payroll costs**. Non-payroll costs consist of payments on mortgage interest in place before 02/15/2020, rent or leases, and utilities.

Currently, prepaid mortgage payments cannot be included in the covered non-payroll expenses. However, as of now, there are no restriction on payments in arrears. Late payments or deferred payments that are paid during the twenty-four-week period appear to be included in non-payroll costs. Rent or lease payments will also include payments on any leased item, as opposed to just real estate. This might include things like office equipment, vehicle leases, or even storage unit leases. Borrowers who are paying below-market rates may want to consider modifying those rates to market value. Capital leases will most likely not be included in non-payroll costs. Utility expenses will include payments for electricity, gas, water, transportation, telephone, and internet access.

Interest payments on mortgages in place prior to 02/15/2020:	\$	-
Payments made on rent or leases:	\$	-
Payments made for utilities:	\$	-
Total non-payroll costs:	\$	-

As a final note on tracking expenses, the SBA and lenders will require supporting documentation for each expense covered during the twenty-four-week period. Per the SBA's rules, these documents will need to be retained by the borrower for 6 years following the submittal of the PPP Loan Forgiveness Application.

Next, we need to make adjustments for **full-time employee equivalency and salary/hourly wage reductions**, if any. Reductions in the number of employees or their hours and wages could result in a reduction to a borrower's forgiveness amount. For the purposes of these calculations, any employee who is full-time (averaging more than 40 hours a week during the twenty-four-week period) will count for one point. There are two ways to count employees working part-time (averaging less than 40 hours a week during the twenty-four-week period). You may elect to have part-time employees counted for one half of a point regardless of the hours they worked or you can count them as a fraction of a point based on the amount of hours they actually worked. For example, a part-time employee working 24 hours a week would have an FTE of 0.60.

The sum of these totals will be known as your "FTE". Using these values, we will calculate the average amount of FTE you had during the period from 02/15/20 to 04/26/20 as well as the total FTE you had during the pay period including 02/15/20. If the total number of FTE you had during the pay period including 02/15/20 is greater than the total number of FTE you had during the period from 02/15/20 to 04/26/20 then we can continue to see if you've met the FTE Reduction Safe Harbor. We'll need to calculate the FTE you had as of 12/31/20 or earlier. If this number is greater than or equal to your FTE from the pay period including 02/15/20 you will have met the FTE Reduction Safe Harbor. If not, you will be subject to FTE Reductions.

Total average FTEs between 2/15/20 - 4/26/20:	0.00
Total FTEs for the pay period that included 2/15/20:	0.00
Total FTEs as of December 31, 2020, or earlier:	0.00
Reference Period FTE:	0.00

Please remember that reducing an employee's salary or hourly wage rate by 25% between 01/01/20 and 03/31/20 will also result in a forgiveness reduction. The reduction in forgiveness will be equal to the actual amount of that salary/wage reduction. Employees making more than \$100,000 will be exempt from this reduction.

If you are subject to an FTE Reduction, we will need to determine your **FTE Reduction Quotient**. To perform this calculation, we'll need to factor in the FTE Reduction Exceptions that are allowed. You may add one FTE for every employee that rejects a rehire, every employee that is fired for cause during the period, any employee who voluntarily resigns, and any employee who requests a reduction in their hours. Employees who have passed away or are incapacitated due to the virus may also count towards these exceptions. Adding this sum to your total FTEs for the period will yield your Total Average FTE. If your Total Average FTE is greater than your Reference Period FTE then you will have met the safe harbor and your FTE Reduction Quotient will be 100%. If your Reference Period FTE is greater than your Total Average FTE then your FTE Reduction Quotient will equal your Total Average FTE divided by your Reference Period FTE.

Rehire rejections by employees:	0.00
Employees fired for cause during the period:	0.00
Employees who voluntarily resigned:	0.00
Employees who requested a reduction in their hours:	0.00
Employees you were unable to rehire/replace:	0.00
Total Average FTE:	0.00
Reference Period FTE:	0.00
FTE Reduction Quotient:	#DIV/0!

In order to certify any FTEs you counted due to Exceptions, be sure to document any action that led to the exception. Make sure to document in writing, if possible, any rehire rejections by employees, any termination of an employee for cause during the period, an employee's voluntary resignation, and any request from employees for a reduction in hours.

At this stage we can calculate your **potential forgiveness amounts**. There are three different amounts that you could potentially be forgiven for: The original loan amount, the modified total, or the payroll costs 60% requirement. Your forgiveness amount will be equal to the lesser of the three potential options. If you are not subject to any reductions and you have met the Safe Harbor, you may be eligible to have your loan totally forgiven. The modified total will equal the sum of all your qualified expenses during the period (minus any wage or hourly rate reductions) multiplied by your FTE Reduction Quotient. Finally, if payroll costs made up at least 60% of your total costs for the period and you are not subject to any other reductions then you are eligible for full forgiveness. However, if your payroll costs do not meet the 60% requirement, the forgiveness you are eligible for may be 0-.

Original loan amount:	\$	-
Modified total:	\$	-
Payroll costs 60% requirement:	\$	-
Your Forgiveness Amount:	\$	-

Please note, that if you are an EIDL Advance recipient this is not the amount of forgiveness you will actually receive as the SBA will automatically deduct EIDL Advance amount from your forgiveness amount.

Your EIDL Advance Amount:	\$	-
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After subtracting your EIDL Advance amount from your forgiveness amount, we can determine your estimated remaining loan balance.

Estimated remaining loan balance:	\$	-
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Please carefully examine the above values to ensure the accuracy of your information. Thank you.