

A background image featuring a money bag with a dollar sign and a white shield on a wooden surface. The money bag is on the left, and the shield is in the center. The wooden surface is at the bottom. The background is a light blue-grey color.

**Post &
Schell** P.C.
ATTORNEYS AT LAW

**Paycheck Protection Program
Forgiveness Tool**

www.postschell.com

Disclaimer: *This presentation document does not offer specific legal advice, nor does it create an attorney-client relationship. You should not reach any legal conclusions based on the information contained in this document without first seeking the advice of counsel. We currently intend to periodically update this information, but cannot guarantee that if we issue any updates, they will be timely or complete.*

Introduction

- Post & Schell, PC's Loan Forgiveness Tool is comprised of eight excel tabs:
 - Forgiveness
 - PPP Schedule A
 - PPP Worksheet Table 1
 - PPP Worksheet Table 2
 - PPP Salary Reduction Step 1
 - PPP Salary Reduction Step 2
 - PPP Salary Reduction Step 3
 - Employee Worksheet
- Highlighted cells on worksheets are to be completed by you. Complete all information on Employee Worksheet.

Hypothetical Situation

- For the purposes of this presentation, the following was presumed:
 - **Total Employees:** 10
 - **Salary of Each Employee:** \$100,000/year
 - **Employer Healthcare Contribution:** \$36,000/year
 - **Employer Retirement Contribution:** \$40,000/year
 - **Employer Share of Unemployment:** \$12,000/year
 - **Total Loan Amount:** \$226,667.00
- In addition, it was presumed that *all* employees were maintained fulltime (40+ hours/week) during the post-loan 8-week period.
- Mortgage Interest, Rent, and Utilities each \$10,000 for each 4-week period.

This Loan Forgiveness Calculator is based off of the recent PPP Loan Application promulgated by the SBA.

DISCLAIMER: This calculator does not offer specific legal advice, nor does it create an attorney-client relationship. You should not reach any legal conclusions based on the information contained in this document without first seeking the advice of counsel. We currently intend to periodically update this information, but cannot guarantee that if we issue any updates, they will be timely or complete. It is intended as a tool to project impacts on your potential loan forgiveness. Should you have any questions, we are available to assist and answer questions.

Date Loan Proceeds Received:	4/19/2020	60% of PPP Loan -- Minimum Payroll Costs:	\$	136,000.20
Loan Amount:	\$ 226,667.00	40% of PPP Loan - Maximum Other Authorized/Nonpayroll Costs	\$	90,666.80

Tab 1 – Forgiveness:

NOTE – this “How To” utilizes the 8-week Calculator, however, the same process is applicable to the 24-week Calculator

- Preliminarily, you will input the date of your loan proceeds and total loan amount

PPP Loan Forgiveness			
Line 1	Payroll Costs (Schedule A, Line 10)	\$0.00	*See Schedule A Tab
Line 2	Business Mortgage Interest Payments	\$20,000.00	
Line 3	Business Rent or Lease Payments	\$20,000.00	
Line 4	Business Utility Payments	\$20,000.00	
Adjustments for Full-time Equivalency (FTE) and Salary/Hourly Wage Reductions			
Line 5	Total Salary/Hourly Wage Reduction (Schedule A, line 3)	#DIV/0!	**See Schedule A Tab
Line 6	Add Amount on lines 1,2,3, and 4 and subtract the amount entered in Line 5	#DIV/0!	
Line 7	FTE Reduction Quotient (Schedule A, Line 13)	#DIV/0!	
Potential Forgiveness Amounts			
Line 8	Modified Total	#DIV/0!	
Line 9	PPP Loan Amount	\$226,667.00	
Line 10	Payroll Cost 60% Requirement	\$0.00	
Forgiveness Amount			
Line 11	Forgiveness Amount (smallest of Lines 8, 9, 10)	#DIV/0!	
	Amount Not Forgivable:	#DIV/0!	

Tab 1 – Forgiveness:

- You will next input your “Nonpayroll Costs” – business mortgage interest payments, business rent or lease payments, and business utility payments
 - Covered Mortgage Obligations* – payments of interest (*not including any prepayment or payment of principal*)
 - Covered Rent Obligations* – business rent or lease payments pursuant to lease agreement for real or personal property
 - Covered Utility Payments* – business payments for service for the distribution of electricity, gas, water, transportation, telephone, or internet access

Please proceed to the PPP Schedule A Tab

PPP Schedule A - Table 1			
Line 1	Enter Cash Compensation	\$0.00	* See PPP Worksheet Tables 1 and 2
Line 2	Enter Average FTE	0	* See PPP Worksheet Tables 1 and 2
Line 3	Enter Salary/Hourly Wage Reduction		* If average annual salary or hourly wage for each employee listed on PPP Schedule A Worksheet Tab during the Covered/Alternative Payroll Covered Period was at least 75% of such employee's average salary or hourly wage between 1/1/20 and 3/31/20, enter 0 here. Otherwise, Enter Box 3 from PPP Worksheet Tables 1 and 2 tab
PPP Schedule A - Table 2			
Line 4	Cash Compensation	\$0.00	*See PPP Schedule A Worksheet - Table 2 Tab
Line 5	Average FTE	0	*See PPP Schedule A Worksheet - Table 2 Tab

PPP Schedule A:

- PPP Schedule A requires that separate tables be completed for differently situated employees
 - Table 1 applies to: (1) employees employed at any point during the Covered Period or Alternative Payroll Covered Period (principal place of residence was the US); and (2) received compensation at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019
 - Table 2 applies to: (1) employees employed at any point during the Covered Period or Alternative Payroll Covered Period (principal place of residence was the US); and (2) received compensation at an annualized rate of more than \$100,000 for any pay period in 2019

Note: in this hypothetical, there were no employees who received compensation at an annualized rate of more than \$100,000 for any pay period in 2019. Accordingly, this How To will not discuss Table 2. Should you have any questions about how to fill out Table 2, please do not hesitate to contact us

Please proceed to the PPP Worksheet Table 1 Tab

Instructions: (1) List employees employed at *any point* during the Covered Period or Alternative Payroll Covered Period (principal place of residence was the US); and (2) received compensation at an annualized rate of *less than or equal to* \$100,000 for all pay periods in 2019 or *were not employed by the Borrower at any point in 2019*

FTE Reductions Exceptions: Indicate the FTE of (1) any positions for which the Borrower made a good-faith, written offer to rehire an employee during the Covered Period or the Alternative Payroll Covered Period which was rejected by the employee; and (2) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

	TOTALS:	\$0.00		0	#DIV/0!
		BOX 1		BOX 2	BOX 3
PPP Schedule A - Table 1: Wage Reduction [Complete PPP Salary Reduction Calculator]					
Employee's Name	Employee Identifier	Cash Compensation *Employee Worksheet Tab will track compensation paid	Number of Hours Paid per Week	Average FTE	Salary/Hourly Wage Reduction
Employee 1	1111	\$0.00		0.0	#DIV/0!
Employee 2	2222	\$0.00		0.0	#DIV/0!
Employee 3	3333	\$0.00		0.0	#DIV/0!
Employee 4	4444	\$0.00		0.0	#DIV/0!
Employee 5	5555	\$0.00		0.0	#DIV/0!
Employee 6	6666	\$0.00		0.0	#DIV/0!
Employee 7	7777	\$0.00		0.0	#DIV/0!
Employee 8	8888	\$0.00		0.0	#DIV/0!
Employee 9	9999	\$0.00		0.0	#DIV/0!
Employee 10	1010	\$0.00		0.0	#DIV/0!

PPP Worksheet Table 1:

- This tab will track the employee Name, Identifier, Cash Compensation (from the Employee Worksheet Tab)
- This requires the input of the number of hours an employee worked during a specific week.

Note: although no guidance has been provided, a salaried employee should be listed as working 40 hours a week

Please proceed to the Employee Worksheet Tab to input Cash Compensation Amounts

8-Week Loan Period [9 weeks included in case of partial week payment]											
Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Discretionary Bonus	8-Week Total	Amount Allowable
\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ 19,230.77	\$ -	\$ -	\$ 153,846.15	\$ 153,846.15
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62
\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08	\$ 1,923.08			\$ 15,384.62	\$ 15,384.62

Employee Worksheet

- Insert the amount paid to each employee for each week after the loan.
 - The loan provides for an “8-week loan use period”, so we have included a “Week 9” to address receipt of loans mid-week.

NOTE: The PPP Forgiveness Application provides for an "Alternative Payroll Covered Period that begins on the first day of the first pay period following the receipt of loan proceeds"

- In this hypothetical, each employee was paid their normal pay, totaling \$1,923.08/week (i.e. \$100,000/52 weeks).
- The maximum allowable amount per employee for the 8 week period is \$15,385.00 (when rounded) (based upon the \$100,000 cap on compensation for employees).
- Once completed, please return to the PPP Worksheet Table 1 tab

*****Note: Discretionary bonuses are possible under this program, and can be utilized for one-time bonus payments or other payments that do not recur. Please contact us with any questions about these types of payments.***

Instructions: (1) List employees employed at *any point* during the Covered Period or Alternative Payroll Covered Period (principal place of residence was the US); and (2) received compensation at an annualized rate of *less than or equal to* \$100,000 for all pay periods in 2019 or *were not employed by the Borrower at any point in 2019*

FTE Reductions Exceptions: Indicate the FTE of (1) any positions for which the Borrower made a good-faith, written offer to rehire an employee during the Covered Period or the Alternative Payroll Covered Period which was rejected by the employee; and (2) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

	TOTALS:	\$153,846.15		10	#DIV/0!
		BOX 1		BOX 2	BOX 3
PPP Schedule A - Table 1: Wage Reduction [Complete PPP Salary Reduction Calculator]					
		Cash Compensation			
Employee's Name	Employee Identifier	*Employee Worksheet Tab will track compensation paid	Number of Hours Paid per Week	Average FTE	Salary/Hourly Wage Reduction
Employee 1	1111	\$15,384.62	40.00	1.0	#DIV/0!
Employee 2	2222	\$15,384.62	40.00	1.0	#DIV/0!
Employee 3	3333	\$15,384.62	40.00	1.0	#DIV/0!
Employee 4	4444	\$15,384.62	40.00	1.0	#DIV/0!
Employee 5	5555	\$15,384.62	40.00	1.0	#DIV/0!
Employee 6	6666	\$15,384.62	40.00	1.0	#DIV/0!
Employee 7	7777	\$15,384.62	40.00	1.0	#DIV/0!
Employee 8	8888	\$15,384.62	40.00	1.0	#DIV/0!
Employee 9	9999	\$15,384.62	40.00	1.0	#DIV/0!
Employee 10	1010	\$15,384.62	40.00	1.0	#DIV/0!

PPP Worksheet Table 1:

- You will note that the “Cash Compensation” column is now automatically populated
- In addition, as the employees in this Hypothetical all were working “full-time”, we have input 40 hours into the “Number of Hours Paid per Week” tab
- The next step will be to complete all necessary information for Salary Reduction.

Please proceed to the PPP Salary Reduction Step 1 tab

PPP Schedule A - Table 1: Wage Reduction - Step 1

Employee's Name	Employee Identifier	Average Annual Salary or Hourly Wage during Covered/Alternative Covered Period [Average 8-week Period + Any Bonus]	Average Annual Salary or Hourly Wage between 1/1/20 and 3/31/20	Comparison of Wages	Salary Reduction? If "No Salary Reduction", do not complete Step 2 for that Employee	Salary/Hourly Wage Reduction
Employee 1	1111	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 2	2222	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 3	3333	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 4	4444	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 5	5555	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 6	6666	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 7	7777	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 8	8888	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 9	9999	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 10	1010	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00

PPP Salary Reduction Step 1

- You will note that the Salary/Wage Compensation is based on either: (1) reduction in salary; or (2) reduction in hourly wage.
 - For any employee who is paid hourly, insert their Average Annual Hourly Wage**
 - For any employee who is paid a salary, insert their Average Annual Salary**
- Next, insert the Average Annual Salary or Hourly Wage for that employee between 1/1/20 and 3/31/20
- In this hypothetical, each employee's salary was equal to the average annual salary that employee normally was paid, thus, there was no salary reduction
- For purposes of illustration only, the following slides illustrate an example of how to complete the calculator for an employee whose Covered Period or Alternative Payroll Covered Period salary was less than their annual salary for the period between 1/1/20 and 3/31/20

Instructions: (1) List employees employed at any point during the Covered Period or Alternative Payroll Covered Period (principal place of resident was the US); and (2) received compensation at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019

***Use Salary for Salaried Employees and Hourly Wage for Hourly Employees

PPP Schedule A - Table 1: Wage Reduction - Step 1

Employee's Name	Employee Identifier	Average Annual Salary or Hourly Wage during Covered/Alternative Covered Period [Average 8-week Period + Any Bonus]	Average Annual Salary or Hourly Wage between 1/1/20 and 3/31/20	Comparison of Wages	Salary Reduction? If "No Salary Reduction", do not complete Step 2 for that Employee	Salary/Hourly Wage Reduction
Employee 1	1111	\$70,000.00	\$100,000.00	70.00%	Complete Step 2	Go to Step 2
Employee 2	2222	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 3	3333	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 4	4444	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 5	5555	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 6	6666	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 7	7777	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 8	8888	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 9	9999	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00
Employee 10	1010	\$100,000.00	\$100,000.00	100.00%	No Salary Reduction	\$0.00

PPP Salary Reduction Step 1:

- In this hypothetical, Employee 1's annual salary for the Covered/Alternative Payroll Covered Period was \$70,000.00
 - Recall, Employee 1's annual salary between 1/1/20 and 3/31/20 was \$100,000.
 - Accordingly, Employee 1's salary fell below the 75% threshold, and requires additional input in the Salary Reduction Calculator

Please proceed to the Salary Reduction Step 2 tab

PPP Schedule A - Table 1: Wage Reduction - Step 2

Employee Identifier	Task	Annual Salary or Average Hourly Wage as of 2/15/20	Average Annual Salary or Hourly Wage between 2/15/20 and 4/26/20	Comparison of Wages	Average Annual Salary or Hourly Wage as of 12/31/20	Salary/Hourly Wage Reduction
1111	Complete Step 2	\$100,000.00	\$70,000.00	Enter Average as of 6/30/20	\$90,000.00	Complete to Step 3
2222						
3333						
4444						
5555						
6666						
7777						
8888						
9999						
1010						

PPP Salary Reduction Step 2:

- Only Employee 1’s salary was reduced during the Covered/Alternative Covered Period, information about Employee 1 only is necessary
 - First, input the Employee’s Annual Salary or Average Hourly Wage as of 2/15/20
 - Next, input the Employee’s Average Annual Salary or Hourly Wage between 2/15/20 and 4/26/20

Note: if the amount of the Employee’s salary/hourly wage from between 2/15/20 and 4/26/20, proceed directly to Step 3.

*Note: if the amount of Employee’s salary/hourly wage from between 2/15/20 and 4/26/20 is lower than the Employee’s salary/hourly wage as of 2/15/20, input that Employee’s average annual salary or hourly wage as of 12/31/20 (or the date of the forgiveness application, whichever is earlier****)*

Note: if the amount of Employee’s salary/hourly wage as of 12/31/20 is equal to or greater than the amount of the Employee’s salary/hourly wage as of 2/15/20, there is no salary reduction. If it is not equal to or greater, proceed to Step 3

**For purposes of this slide, numbers have been entered to require completion of Step 3*

Please proceed to the Salary Reduction Step 3 tab

PPP Schedule A - Table 1: Wage Reduction - Step 3								
Employee's Name	Employee Identifier	Task	75% of Salary/Wages for 1/1/20 through 3/31/20	Difference in Covered Period v. Quarter 1 Wages	Is the Employee Hourly or Salaried?	Completed these Columns only if an Hourly Employee		Complete this Column only if a Salaried Worker
						Average Number of Hours worked per week between 1/1/20 and 3/31/20	Hourly Wage Amount Reduction	Salary Wage Reduction
Employee 1	1111	Complete to Step 3	\$75,000.00	\$5,000.00	Salaried		XXXXX	\$769.23

PPP Salary Reduction Step 3:

- Select for each Employee whether that Employee was salaried or hourly
- This will depending on your selection, it will automatically generate the anticipated Salary/Hourly Wage Reduction
 - This amount is based upon the difference between that Employee's Salary/Wage for the period of 1/1/20 and 3/31/20 and the Covered/Alternative Covered Period Wages
- Once complete, return to the PPP Worksheet Table 1 Tab, which will be updated to address the Salary/Hourly Wage reduction attributed to that Employee:

PPP Schedule A - Table 1: Wage Reduction [Complete PPP Salary Reduction Calculator]					
Employee's Name	Employee Identifier	Cash Compensation *Employee Worksheet Tab will track compensation paid	Number of Hours Paid per Week	Average FTE	Salary/Hourly Wage Reduction
Employee 1	1111	\$15,384.62	40.00	1.0	\$769.23

Once complete, proceed to the PPP Schedule A Tab

PPP Schedule A - Table 1			
Line 1	Enter Cash Compensation	\$153,846.15	* See PPP Worksheet Tables 1 and 2
Line 2	Enter Average FTE	10	* See PPP Worksheet Tables 1 and 2
Line 3	Enter Salary/Hourly Wage Reduction	\$0.00	* If average annual salary or hourly wage for each employee listed on PPP Schedule A Worksheet Tab during the Covered/Alternative Payroll Covered Period was at least 75% of such employee's average salary or hourly wage between 1/1/20 and 3/31/20, enter 0 here. Otherwise, Enter Box 3 from PPP Worksheet Table 1 tab
PPP Schedule A - Table 2			
Line 4	Cash Compensation	\$0.00	*See PPP Schedule A Worksheet - Table 2 Tab
Line 5	Average FTE	0	*See PPP Schedule A Worksheet - Table 2 Tab
Non-Cash Compensation Payroll Costs during the Covered Period or the Alternative Payroll Covered Period			
Line 6	Total amount paid for employer contributions for employee health insurance	\$5,538.46	
Line 7	Total amount paid for employer contributions to employee retirement plans	\$6,153.85	
Line 8	Total amount paid for employer state and local taxes assessed on employee compensation	\$1,846.15	
Compensation to Owners			
Line 9	Total amount paid to owner-employees/self-employed individual/general partners		*DO NOT include these individuals in PPP Schedule A Worksheet Table 1 or Table 2 Tabs. If more than one individual, attached a separate table that lists the names of and payments to each

PPP Schedule A:

- The information relevant to Table 1 is now completed.
- In this hypothetical, there was no information relevant for Table 2, so that remains blank
- Next, insert all Non-Cash Compensation Payroll Costs during the Covered Period or Alternative Payroll Covered Period for:
 - Employer contributions for employee health insurance
 - Employer contributions to employee retirement plans
 - Employer state and local taxes assessed on employee compensation
- At this point you would also enter any Compensation to Owners. *NOTE: This is not to be included on Table 1 or Table 2.*

Total Payroll Costs			
Line 10	Total Payroll Costs	\$167,384.62	
Full-Time Equivalency FTE Reduction Calculation			
<i>Note: If you have not reduced the number of employees or average paid hours of your employees between 1/1/20 and the end of the Covered Period, skip lines 11 and 12, and enter 1.0 on Line 13</i>			
Line 11	Average FTE during chosen reference period (2/15/19 – 6/30/19 or 1/1/20 through 6/30/19 or 1/1/20 through 6/30/19)	10	
Line 12	Total Average FTE	10	
Line 13	FTE Reduction Quotient	1	Safe Harbor is met if Line 13 is 1.0
FTE Reduction Non-Issues			
No Reduction in employees or average paid hours: if no reduction in number of employees or average paid hours of employees between 1/1/20 and end of the Covered Period, check Appropriate Box and Insert 1.0 into Line 13			
FTE Reduction Safe Harbor 1: If unable to operate between 2/15/20 and end of Covered Period at the same level of business activity as before 2/15/20 due to compliance with requirements issued between 3/1/20 and 12/31/20 by Secretary of Health and Human Services, Director of the CDC, or OSHA related to maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID, check the appropriate Box, and Insert 1.0 into Line 13			
FTE Reduction Safe Harbor 2: Complete the PPP Schedule A Worksheet, and it is satisfied, check the appropriate Box, and Insert 1.0 into Line 13			
If none apply – Complete Lines 11, 12 and 13			
FTE Safe Harbor Calculator			
Average FTE between 2/15/20 and 4/26/20	Total FTE in pay period inclusive of 2/15/20	Comparison	Total FTE as of 6/30/20
		Divide Line 12 by Line 11, and enter on Line 13	Comparison

FTE Reductions Exceptions: Indicate the FTE of (1) any positions for which the Borrower made a good-faith, written offer to rehire an employee during the Covered Period or the Alternative Payroll Covered Period which was rejected by the employee; and (2) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

PPP Schedule A:

- Based upon the information inserted, your total payroll costs will now be updated
- Next, you will determine if there is any reduction based on FTEs
- NOTE: If you have not reduced the number of employees or average paid hours of your employees between 1/1/20 and the end of the Covered Period, skip lines 11 and 12, and enter 1.0 on Line 13
 - In this hypothetical, there was no reduction, and thus, there is no need to utilize the FTE Safe Harbor Calculator
 - However, if you did reduce the number of employees or average paid hours, complete the FTE Calculator by inserting (recall – 40+ hours is equivalent to 1.0 FTE):
 - Average FTE between 2/15/20 and 4/26/20
 - Total FTE in pay period inclusive of 2/15/20
 - If the total FTE for the pay period inclusive of 2/15/20 is greater than the average FTE between 2/15/20 and 4/26/20, complete the FTE Safe Harbor Calculation per the instructions
- NOTE: There is an FTE Reductions Exception that is applicable under certain circumstances

Once complete, return to the Forgiveness tab

PPP LOAN FORGIVENESS TOOL

This Loan Forgiveness Calculator is based off of the recent PPP Loan Application promulgated by the SBA.

DISCLAIMER: This calculator does not offer specific legal advice, nor does it create an attorney-client relationship. You should not reach any legal conclusions based on the information contained in this document without first seeking the advice of counsel. We currently intend to periodically update this information, but cannot guarantee that if we issue any updates, they will be timely or complete. It is intended as a tool to project impacts on your potential loan forgiveness. Should you have any questions, we are available to assist and answer questions.

Date Loan Proceeds Received:	4/19/2020	60% of PPP Loan -- Minimum Payroll Costs:	\$	136,000.20
Loan Amount:	\$ 226,667.00	40% of PPP Loan - Maximum Other Authorized/Nonpayroll Costs	\$	90,666.80
8-week Loan Period Begin Date:	4/19/2020	NOTE: An Alternative Covered Period is permissible for the 8-week loan period (only for loans received before 6/5/20) OR 24-week loan period, that begins on the first day of the first pay period following the PPP Loan Disbursement Date. This applies only for borrowers with biweekly (or more frequent) payroll.		
8-week Loan Period End Date:	6/13/2020			
PPP Loan Forgiveness				
Line 1	Payroll Costs (Schedule A, Line 10)	\$167,384.62	*See Schedule A Tab	
Line 2	Business Mortgage Interest Payments	\$20,000.00		
Line 3	Business Rent or Lease Payments	\$20,000.00		
Line 4	Business Utility Payments	\$20,000.00		
Adjustments for Full-time Equivalency (FTE) and Salary/Hourly Wage Reductions				
Line 5	Total Salary/Hourly Wage Reduction (Schedule A, line 3)	\$0.00	**See Schedule A Tab	
Line 6	Add Amount on lines 1,2,3, and 4 and subtract the amount entered in Line 5	\$227,384.62		
Line 7	FTE Reduction Quotient (Schedule A, Line 13)	1		
Potential Forgiveness Amounts				
Line 8	Modified Total	\$227,384.62		
Line 9	PPP Loan Amount	\$226,667.00		
Line 10	Payroll Cost 60% Requirement	\$278,974.37		
Forgiveness Amount				
Line 11	Forgiveness Amount (smallest of Lines 8, 9, 10)	\$226,667.00		
	Amount Not Forgivable:	\$0.00		

Forgiveness:

- This tab will automatically populate based upon the calculations from the prior tabs.
- The total allowable, forgivable costs total \$223,179.49, based upon the Payroll requirement of 75% of the loan
 - Recall that 75% of the Loan proceeds totaled \$170,000.25. In this scenario, only \$167,384.62 was used for Payroll, thus reducing the amounts utilized for Non-Payroll, and leaving a balance to be paid back.
- In this scenario, there were no reductions based upon wages or headcount.
- Ultimately, only 98.46% of the Loan was utilized, leaving an amount to be paid back of \$3,487.51.

Questions?

Please feel free to contact us with any questions:

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