Updated as of 05/21/20

PPP Loan Forgiveness

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Definitions
### PPP Loan Forgiveness Application

#### Terminology

<table>
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<th>Definition</th>
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<tbody>
<tr>
<td>PPP Loan Disbursement Date</td>
<td>Date you received PPP loan from your lender</td>
<td>If you received the loan on more than one date, enter the 1st date you received PPP loan money (this date may not be the same date on the acceptance letter so check your checking account statement)</td>
<td>All</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered Period (CP)</td>
<td>8-week (56-day) period</td>
<td>1st date is NOT when loan was approved (e.g., loan was approved on Apr 13, but 1st date would still be when money was deposited into your account on Apr 20)</td>
<td>Some parts of the Application give you the option to use CP or APCP; however, you must specifically use CP wherever Application specifically references &quot;Covered Period&quot;: on PPP Loan Calc Form (top half &quot;Covered Period&quot;, line 2-4), on PPP Schedule A (line 13), and on Nonpayroll Documentation (a-c, as applicable)</td>
<td></td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Alternative Payroll Covered Period (APCP)</td>
<td>You can start your 8-week (56-day) period on the 1st day of your 1st pay period AFTER the PPP Loan Disbursement Date (so that you can neatly align your &quot;covered period&quot; with the beginning of a pay period), e.g.,:</td>
<td>Remember: applies to PAYROLL COSTS only</td>
<td>Option to make things easier if your payroll frequency is biweekly or more frequent</td>
<td></td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Employee (EE)</td>
<td>Received a W-2 (salary or hourly, full-time or part-time with a consistent schedule) during CP or APCP</td>
<td>If you use this alternative time frame, you must consistently use it through the application EXCEPT where specifically noted to use &quot;Covered Period&quot;</td>
<td>If you use this alternative time frame, you must consistently use it through the application EXCEPT where specifically noted to use &quot;Covered Period&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes

- PPP Loan Disbursement Date
- Covered Period (CP)
- Alternative Payroll Covered Period (APCP)
- Employee (EE)

*Indicates uncertain areas that remain to be clarified
**FFCRA: Families First Coronavirus Response Act, Section 7001
***If you report business income on Schedule C of Form 1040, you can still qualify for forgiveness – please talk to your advisor
Table 1 & 2

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# PPP Loan Forgiveness Application

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Payroll Costs Eligible for Forgiveness</strong></td>
<td>Sum as paid to each EE by you:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cash Compensation:</td>
<td>• Gross salary, wage, commission, and similar compensation (including bonus*)</td>
<td>• Cash compensation in excess of annualized $100K - thus cap per EE is $15,385 EE ($100K / 52 weeks * 8-week = $15,385)</td>
<td>• ≥75% of total loan forgiveness must be Payroll Costs</td>
<td>Table 1 &amp; 2 (Cash Compensation)</td>
<td>Line 1 &amp; 4 (Cash Compensation)</td>
<td>Line 1 &amp; 10</td>
</tr>
<tr>
<td>2. Benefits</td>
<td>• Payment for benefits (group healthcare/ dental/ vision benefits including insurance premiums)</td>
<td>• Qualified sick and family leave wages under FFCRA**</td>
<td>• Payroll Costs are eligible if they were:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Employer retirement plan contribution</td>
<td>• Employer retirement plan contribution (e.g., FICA)</td>
<td>• Payments to independent contractors (1099)</td>
<td>a) Both incurred (day that EE worked) during CP/APCP and paid (day the paycheck is distributed or the day you originate an ACH credit transaction*) during CP/APCP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Payments of state or local tax assessed on compensation of EE</td>
<td>• Payments of state or local tax assessed on compensation of EE</td>
<td></td>
<td>b) ** FPACPC but paid by your next regular payroll date after CP/APCP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For non-EE (owner-employees, self-employed, or general partners):</td>
<td>• Up to $15,385 in pay for owners</td>
<td>• Payments to independent contractors (1099)</td>
<td>c) ** FPACPC but paid during CP/APCP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Cash compensation in excess of annualized $100K - thus cap per EE is $15,385 EE ($100K / 52 weeks * 8-week = $15,385)</td>
<td>• Your (employer) share of federal taxes on compensation (e.g., FICA)</td>
<td>• Payments to independent contractors (1099)</td>
<td>• Mortgage: excludes prepayment or payment of principal</td>
<td>N/A</td>
<td>N/A</td>
<td>Line 2 – 4</td>
</tr>
<tr>
<td>2. Benefits</td>
<td>• Mortgage: excludes prepayment or payment of principal</td>
<td>• Excludes interest on a term loan or line of credit, including PPP loan</td>
<td>• Up to 25% of total loan forgiveness may be Nonpayroll Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Utilities (electricity, gas, water, transportation, telephone, or internet access)</td>
<td>• Utility may exclude trash, sewage, hosting (e.g., Amazon Web Services)*</td>
<td>• Utility may exclude trash, sewage, hosting (e.g., Amazon Web Services)*</td>
<td>• Nonpayroll Costs are eligible if they were:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Indicates uncertain areas that remain to be clarified  **FFCRA: Families First Coronavirus Response Act, Section 7001

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## PPP Loan Forgiveness Application

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<th>Schedule A</th>
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</tr>
</thead>
</table>
| **Avg FTE** | • Average Full-Time Equivalent (FTE)  
• "Avg # of hours paid per week" / 40 (round to nearest tenth)  
• Maximum per EE is capped at 1.0 (or, if you want to skip the math and simplify, enter "1.0" for EE who work ≥40 hours, and "0.5" for EE who work <40 hours) | • Applies to CP / APCP  
• References hours PAID not necessarily WORKED  
• Although amounts paid to owners are eligible for forgiveness, owners are not included in FTE calculations | Table 1 & 2 | Line 2 & 5 | N/A |
| **Salary/Hourly Wage Reduction Safe Harbor (Calculation)** | This calculation applies only if you reduced salary or hourly wages for any EE by >25% during CP/APCP (vs during Jan 1, 2020 to Mar 31, 2020). If you restored salary/hourly wages, you can avoid the reduced forgivable amount if you restored your salary/hourly wage levels | | Table 1 | Line 3 | N/A |
| **FTE Reduction Exceptions** | Sum the FTE of both  
1. Any positions for which you made a good-faith, written offer to rehire an EE during CP/APCP which was rejected by that EE, and  
2. Any EEs who during CP/APCP were a) fired for cause, b) voluntarily resigned, or c) voluntarily requested and received a reduction of their hours  
Enter this total # only if the position(s) was not filled by a new EE | • This helps you avoid a reduction in forgivable loan amount | Table 1 | N/A | N/A |
| **FTE Reduction Safe Harbor (Calculation)** | You are exempt from the reduction in loan forgiveness based on FTE EE described in PPP Schedule A if both 1) you had reduced your FTE EE levels from Feb 15, 2020 to Apr 26, 2020; and 2) you then restored your FTE EE levels by Jun 30, 2020 to your FTE EE levels in your pay period that included Feb 15, 2020 | | Calculation | Line 11 | N/A |
| **FTE Reduction (Calculation)** | Determines how much of your forgivable loan amount should be reduced from reduced staffing (headcount and/or payroll) | | N/A | Line 11 – 13 | N/A |

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Step 1: Documentation

(Page 10)
Intent of the Payroll Protection Program (PPP) loan is to continue employment of staff as part of your business’ long-term viability.

Purpose of this forgiveness application is to determine how much of your PPP loan is eligible for forgiveness.

- Amount of loan forgiveness is a calculation process based on guidance by SBA. Your lender will review your supporting documentation to ensure that your business is eligible for loan forgiveness.

- Primary criteria for loan forgiveness are employee headcount and employee compensation: decreases in either could potentially decrease the amount of your loan forgiveness.

- All documentation must be retained on file for 6 years after loan is forgiven or paid in full.

- As you start gathering documentation listed below, decide whether you will use “Covered Period (CP)”* or “Alternative Payroll Covered Period (APCP)”**

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*see DEFINITIONS for clarity

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Documentation

Documents that you MUST submit to your Lender

1. PPP Schedule A (see slide 11)
2. PPP Loan Forgiveness Calculation Form (see slide 13)
3. Payroll
   a. Bank statements or third-party payroll service provider reports documenting how much "cash compensation" was paid to EEs
   b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with CP or APCP:
      i. payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
      ii. state quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
   c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to EE health insurance and retirement plans that you included in the forgiveness amount (PPP Schedule A, lines 6, 7 – see slide 11)
4. FTE: documentation (payroll tax filings reported to IRS and state income and/or payroll and unemployment insurance filings) that shows Avg FTEs on your payroll per month during ONE of the following periods (you pick):
   a. Feb 15, 2019 – Jun 30, 2019, or
   b. Jan 1, 2020 – Feb 29, 2020, or
   c. (if seasonal employer) (a), (b), or any consecutive 12-week period between May 1, 2019 and Sep 15, 2019
      Whether you pick (a), (b), or (c), it must be the same time period you select for PPP Schedule A, line 11 (see slide 11)
5. Nonpayroll: documentation for your business that 1) verifies existence of the obligations/services in place before Feb 15, 2020 and 2) paid during CP
   a. mortgage interest:
      a. copy of lender amortization schedule, and receipts or cancelled checks that verify payments from CP, or
      b. lender account statements from Feb 2020, month(s) covering CP, and one additional month after end of CP that verifies eligible interest and payments
   b. rent or lease payments:
      a. copy of current lease agreement, and receipts or cancelled checks verifying eligible payments from CP, or
      b. lessor account statements from Feb 2020, month(s) covering CP, and one additional month after end of CP that verifies eligible payments
   c. utility payments:
      a. copy of invoices from Feb 2020 and during CP, and
      b. receipts, cancelled checks, or account statements verifying those eligible payments

Documents you do not need to submit but should have on hand

1. Documentation for any EE that qualifies under the FTE Reduction Exceptions (see DEFINITIONS), e.g., letter of resignation
2. Back-up calculation (show your work) for all parts of PPP Schedule A Worksheet
3. Back-up calculation (show your work) for all three calculations (see CALCULATIONS)

*see DEFINITIONS for clarity

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Step 2:
PPP Schedule A Worksheet
(Page 9)
PPP Schedule A Worksheet

Table 1 (top)
is for EEs who make ≤$100K in annualized compensation for all pay periods in 2019 OR were employed only in 2020

Table 2 (center)
is for EEs who make >$100K annualized for all pay periods in 2019

- EE’s name: list; add extra page(s) if you need to list more
- EE identifier: last 4 digits of SSN
- Cash Compensation: see DEFINITIONS. Each cell in both Table 1 and Table 2 should have a value that is ≥ $15,385
- Average FTE: see DEFINITIONS
- Salary/Hourly Wage Reduction:
  - only applies if you reduced salary or hourly wages by >25% during CP/APCP (vs. during Jan 1, 2020 through Mar 31, 2020). See CALCULATIONS
  - by definition, this doesn’t apply to EE who earned more than $100K in 2019, so this column does not exist for Table 2
- FTE Reduction Exceptions:
  - Any FTE reductions in these cases do NOT reduce your loan forgiveness amount
- Boxes 1-5: sum the column

FTE Reduction Safe Harbor: see CALCULATIONS

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Step 3:
PPP Schedule A
(Page 6)
PPP Schedule A

PPP Schedule A Worksheet, Table 1 and Table 2 Totals

- Lines 1-5: enter from Schedule A Worksheet
  - Line 3: If the avg annual salary/hourly wage for each EE listed on Schedule A Worksheet, Table 1 during CP/APCP was ≥ 75% of such EE’s avg annual salary/hourly wage from Jan 1, 2020 to Mar 31, 2020, check here ☐ and enter “0”

Non-Cash Compensation Payroll Costs During CP or APCP

(remember lines 6-8 are in addition to the annualized cash compensation cap of $100K)

- Lines 6: pull from your bill or payroll report (if you have a third-party payroll provider, they may have a prepared report)
  - includes employer contributions to self-insured, employer-sponsored group health plan
  - excludes pre-tax or after-tax contributions by EE
- Lines 7: pull from payroll register or retirement submission document to your plan
  - excludes pre-tax or after-tax contributions by EE
- Lines 8: pull from tax return or payroll register
  - e.g., state unemployment insurance tax
  - excludes taxes withheld from EE earnings

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PPP Schedule A (continued)

Compensation to Owners

- Line 9: pull from federal tax filing document
- these individuals should not be in either Table 1 or 2 from Schedule A Worksheet (remember healthcare and retirement costs of owners/general partners are not forgivable)
- capped also at $15,385 for the lower of a) each individual OR b) 8-week equivalent of EE applicable compensation in 2019 (prevents an owner from increasing her compensation during the CP/APCP to maximize forgiveness)

FTE Reduction Calculation

If your staffing level is the same on Jan 1, 2020 as it is the last day of your CP, then check the box and enter “1.0” on line 13 (FTE Reduction Safe Harbor is met = no reduction required). Otherwise, lines 11-13 calculates how much your forgivable amount should be reduced from reduced staffing (headcount or payroll) – if at all

- Line 11: see CALCULATIONS
- Line 12: purpose is to calculate the reduction in forgiveness if staffing is reduced and not replaced
- Line 13: if >1.0, enter 1.0*

*indicates uncertain areas that remain to be clarified

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Step 4: PPP Loan Forgiveness Calculation Form (Page 3)
PPP Loan Forgiveness Calculation Form
(select prompts detailed below)

Top of Application

- SBA PPP Loan #: 10-digit # assigned by SBA (ask Lender if you need)
- Lender PPP Loan #: should be on closing documents (ask Lender if you need)
- PPP Loan Amount: this total is the “principal” = maximum amount of loan eligible for forgiveness (note that accrued interest, which starts on the disbursement date, is no longer forgivable)
- PPP Loan Disbursement Date: see DEFINITIONS
- EE at Time of Loan: actual # does not affect determination of forgiveness (we recommend writing in both headcount and FTE)*
- EE at Time of Forgiveness: actual # does not affect determination of forgiveness; enter # as of signed date of Form on page 2 (we recommend writing in both headcount and FTE)*
- EIDL information: applies to EIDL received between Jan 31, 2020 and Apr 3, 2020
  - Any EIDL amount received after Jan 31, 2020 AND used to cover payroll, was LIKELY refinanced into your PPP loan (SBA will reduce the forgivable amount by any EIDL Advance received, per Line 11)
  - If Borrower...: ONLY check if loan is over $2mm (loans with ≤$2mm receive safe harbor and trusted to made required certification that loan was necessary in good faith)

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**PPP Loan Forgiveness Calculation Form** (continued)

(select prompts detailed below)

**Payroll and Nonpayroll Costs**
Only include payments you want to be considered for forgiveness

- Line 1: see DEFINITIONS, includes amounts incurred or paid during CP/APCP
- Line 2-4: see DEFINITIONS

**Adjustments for FTE and Salary/Hourly Wage Reductions**

- Line 5: amount is the loan forgiveness reduction required for salary/hourly wage reductions in excess of 25% for certain EEs as described in PPP Schedule A
- Line 6: if <0, enter “0”

**Potential Forgiveness Amounts**
We determine the forgiveness amount

- Line 10: ensures that no more than 25% of potential forgiveness amount was used on nonpayroll costs

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Calculations
Salary/Hourly Wage Reduction Safe Harbor Calculation

The SBA wants to determine if your forgivable loan amount needs to be reduced. This particular calculation only applies if you reduced salary or hourly wages for any employee (EE) by >25% during your CP/APCP (vs. during Jan 1, 2020 to Mar 31, 2020). If you did reduce by >25% AND also then restored salary/hour wages, you can avoid a reduced forgivable loan amount. Determine by the following calculation:

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Determine if pay was reduced &gt;25%:</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Enter avg annual salary OR hourly wage during CP/APCP:</td>
<td>1a</td>
</tr>
<tr>
<td>1b</td>
<td>Enter avg annual salary OR hourly wage between Jan 1, 2020 and Mar 31, 2020 (Q1):</td>
<td>1b</td>
</tr>
<tr>
<td>1c</td>
<td>Divide: &quot;1a&quot; / &quot;1b&quot;:</td>
<td>1c</td>
</tr>
</tbody>
</table>

If 1c is ≥0.75, no reduction is required for this EE; enter "0" in the column for that EE. You are done

if 1c is < 0.75, a reduction is required for this EE (although that reduction may be reinstated); go to Step 2 to determine what to enter

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Salary/Hourly Wage Reduction Safe Harbor Calculation
(continued)

<table>
<thead>
<tr>
<th>Step 2</th>
<th>Determine if the Salary/Hourly Wage Reduction Safe Harbor is met:</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a</td>
<td>Enter annual salary OR hourly wage as of Feb 15, 2020:</td>
<td>2a</td>
</tr>
<tr>
<td>2b</td>
<td>Enter avg annual salary OR hourly wage between Feb 15, 2020 and Apr 26, 2020:</td>
<td>2b</td>
</tr>
<tr>
<td></td>
<td>If 2b is ≥ 2a, skip to Step 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If 2b is &lt; 2a, go to 2c</td>
<td></td>
</tr>
<tr>
<td>2c</td>
<td>Enter avg annual salary or hourly wage as of Jun 30, 2020:</td>
<td>2c</td>
</tr>
<tr>
<td></td>
<td>If 2c is ≥ 2a, the Salary/Hourly Wage Reduction Safe Harbor has been met. Enter &quot;0&quot; in the column for that EE. You are done</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If 2c is &lt; 2a, go to Step 3</td>
<td></td>
</tr>
</tbody>
</table>

Example:
- 2a $35,000
- 2b $25,000
- 2c $32,500

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### Salary/Hourly Wage Reduction Safe Harbor Calculation

(continued)

<table>
<thead>
<tr>
<th>Step 3</th>
<th>Determine the Salary/Hourly Wage Reduction:</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>3a</td>
<td>Multiply: &quot;1b&quot; x 0.75:</td>
<td>3a $ 26,250</td>
</tr>
<tr>
<td>3b</td>
<td>Subtract: &quot;3a&quot; - &quot;1a&quot;:</td>
<td>3b $ 6,250</td>
</tr>
<tr>
<td></td>
<td>If EE is hourly: compute total dollar amount of reduction that exceeds 25%:</td>
<td></td>
</tr>
<tr>
<td>3c</td>
<td>Enter avg number of hours worked per week between Jan 1, 2020 and Mar 31, 2020:</td>
<td>3c -</td>
</tr>
<tr>
<td>3d</td>
<td>Multiply: &quot;3b&quot; x &quot;3c&quot; x 8:</td>
<td>3d -</td>
</tr>
<tr>
<td>Enter this value in column for that EE. You are done</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If EE is salaried: compute total dollar amount of reduction that exceeds 25%:</td>
<td></td>
</tr>
<tr>
<td>3e</td>
<td>Multiply: &quot;3b&quot; x 8; then divide by 52:</td>
<td>3e $ 961.54</td>
</tr>
<tr>
<td>Enter this value in column for that EE. You are done</td>
<td></td>
<td></td>
</tr>
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FTE Reduction Safe Harbor Calculation

A goal of the PPP loan is to keep employment at pre-COVID-19 levels. For SMBs that reduced (fired/laid off/furloughed) headcount from Feb 15, 2020 to Apr 26, 2020, the SBA wants to give you the opportunity to use the PPP loan money to return to your original staffing level (before Feb 15, 2020). Thus if your Average FTE decreased from Feb 15 to Apr 30, 2020 you then restored your Average FTE by Jun 30, 2020 to the level it was during your Feb 15, 2020 pay period, your forgivable loan will not be reduced.

This exception is called the “FTE Reduction Safe Harbor”. Determine if you meet this Safe Harbor by the following calculation:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Enter your total Avg FTE from Feb 15, 2020 and Apr 26, 2020:</td>
<td>5</td>
</tr>
<tr>
<td>Step 2</td>
<td>Enter your total Avg FTE that is in your pay period that includes Feb 15, 2020:</td>
<td>6.4</td>
</tr>
<tr>
<td>Step 3</td>
<td>If answer for Step 2 is ≤answer for Step 1: Safe Harbor is not applicable; complete line 13 on Schedule A If answer for Step 2 is larger than Step 1: go to Step 4</td>
<td></td>
</tr>
<tr>
<td>Step 4</td>
<td>Enter your total FTE as of Jun 30, 2020 (end date for CARES Act):</td>
<td>6.4 (means I rehired people)</td>
</tr>
<tr>
<td>Step 5</td>
<td>If answer for Step 4 is ≥ answer for Step 2: Safe Harbor is met; enter “1.0” on line 13 of PPP Schedule A If answer for Step 4 &lt; answer for Step 2: Safe Harbor is not met; complete line 13 on Schedule A</td>
<td></td>
</tr>
</tbody>
</table>

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FTE Reduction Calculation

If your staffing level is the same on Jan 1, 2020 as it is the last day of your CP, then check the box and enter “1.0” on line 13. Otherwise, Schedule A’s lines 11-13 are designed to calculate how much your forgivable amount should be reduced because of reduced staffing (headcount or payroll) – if at all.

Is your Average FTE during CP/APCP less than any of the following “reference periods (you pick)”:  
- a) Feb 15, 2019 – Jun 30, 2019 (for YOY comparison with 2020), or  
- b) Jan 1, 2020 – Feb 29, 2020 (for 2020 before PPP-determined Feb 15 date), or  
- c) Seasonal employer: (a), (b), or any 12-week period between May 1, 2019 and Sep 15, 2019?

If no (your Average FTE did not decrease), then your forgivable loan amount is not affected.  
If yes (your Average FTE did decrease during a, b, or c), then your entire forgivable loan amount will decrease by a fraction.
### FTE Reduction Calculation

(continued)

Ex.: Wooby has a PPP loan disbursement date of Apr 10 for $20K, and incurred $20K of costs eligible for forgiveness during CP. During these 8 weeks, Wooby had the following employees:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Avg hrs paid/wk</th>
<th>Avg FTE ((\times)40, cap at 1.0)</th>
<th>Avg hrs paid/wk</th>
<th>Avg FTE ((\times)40, cap at 1.0)</th>
<th>Avg hrs paid/wk</th>
<th>Avg FTE ((\times)40, cap at 1.0)</th>
<th>Simplified FTE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lucy</td>
<td>45</td>
<td>45/40 = 1.0</td>
<td>45</td>
<td>45/40 = 1.0</td>
<td>45</td>
<td>45/40 = 1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Hugo</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Billy</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>28</td>
<td>25/40 = 0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Dottie</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>28</td>
<td>28/40 = 0.7</td>
<td>20</td>
<td>20/40 = 0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Hercules</td>
<td>32</td>
<td>32/40 = 0.8</td>
<td>28</td>
<td>28/40 = 0.7</td>
<td>20</td>
<td>20/40 = 0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Scout</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Justice</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>40</td>
<td>40/40 = 1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>6.8</td>
<td></td>
<td>6.4</td>
<td></td>
<td>3.6</td>
<td></td>
<td>3.5</td>
</tr>
</tbody>
</table>

To maximize forgiveness, Wooby chose reference period (b), so his eligible amount of forgiveness for his PPP loan: \(3.6 / 6.4 \times \$20K = \$11,250\)

*You can opt to use a simplified version of "1.0" for EE who work ≥40 hours, and "0.5" for EE who work <40 hours) While amounts paid to owners are eligible for forgiveness, owners are not included in FTE calculations

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