

iDonate.

Seeking Forgiveness for a Paycheck Protection Program Loan

*With Updates as of July 22, 2020
Continue to Check SBA's Website*

#NPQCovid



This information is provided for general informational and educational purposes only and does not constitute legal, accounting or financial advice. Please note guidance is changing regularly. We encourage you to check with the SBA and your lender for updated guidance and check our FMA toolkit for updated materials.

Q&A Controls



NOTE: All attendees are **muted**. You can change your speaker or audio output by clicking on “Audio Settings ^”

Q&A

- Ask your questions using the Q&A
- Your name will be displayed along with your question – select “Ask Anonymously” to remove your name prior to submitting your question.
- Can “upvote” someone else’s question.
- Click the Q&A icon to see all asked questions.
- Feel free to submit **comments**. These are visible to all panelists and attendees.

What are we covering today?

- 1) What should we **expect** from the Forgiveness Application and related process?
- 2) What are the differences between the standard **application** and **EZ** form?
- 3) What do we need to **Collect, Calculate, and Complete** for each section of the application?

Background – Check out *Managing Your Loan Guidance*

- 1) Details of Eligible Expenses for Forgiveness
- 2) Details of Expense Timing
(Paid and Incurred)
- 3) Covered Period Definitions and 8 vs. 24 Weeks



Paycheck Protection Program 202: How Nonprofits Can Manage Their Loans & Forgiveness

*With Updates as of June 17, 2020 Following
Congressional Passage of the PPP Flexibility Act*

Continue to Check SBA's Website

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<https://fmaonline.net/ppptoolbox/>



Lots of Tools Available for You on Forgiveness!

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower") _____ DBA or Tradename, if applicable _____

Business Address _____ Business TIN (EIN, SSN) _____ Business Phone _____

Primary Contact _____ E-mail Address _____

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____

Employees at Time of Forgiveness Application: _____

EBL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is: Weekly Biweekly (every other week) Monthly Other _____

Covered Period: Start Date to End Date _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1: Payroll Costs (enter the amount from PPP Schedule A, line 10): \$ _____

Line 2: Business Mortgage Interest Payments: \$ _____

Line 3: Business Rent or Lease Payments: \$ _____

Line 4: Business Utility Payments: \$ _____

Adjustments for Full-Time Equivalent (FTE) and Salary/Wages/Hours Reductions

Line 5: Total Salary/Hours/Wage Reduction (enter the amount from PPP Schedule A, line 3): \$ _____

Line 6: Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: \$ _____

Line 7: FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): _____

Potential Forgiveness Amounts

Line 8: Modified Total (multiply line 6 by line 7): \$ _____

Line 9: PPP Loan Amount: \$ _____

Line 10: Payroll Cost 75% Requirement (divide line 1 by 0.75): \$ _____

Forgiveness Amount: \$ _____

Forgiveness Application Simulator and Estimator (Excel)

Guidance on Estimating FTEs to Determine PPP Loan Forgiveness Amount

As of July 13, 2020

This Guidance addresses estimating FTEs as part of determining loan forgiveness under the Paycheck Protection Program (PPP). FMA's companion piece, *Average Weekly FTE Estimator*, is a tool to help in making these estimates.

The areas covered in this Guidance include:

- [Background on the Use of FTEs in the PPP](#)
- [Basics of Calculating Average Weekly FTEs](#)
- [Hours Paid Method of Calculation of Average Weekly FTEs \(aka Mathematical\)](#)
- [Simplified Method of Calculation of Average Weekly FTEs](#)
- [Exceptions to the Rules for Calculating FTEs: Adding FTEs Back in](#)
- [Safe Harbors in the PPP: How to Handle FTEs](#)
- [Where Do I Start? What Steps Should I Take?](#)

Guidance on Estimating FTEs

AVERAGE WEEKLY FTE TOTALS (HOURS PAID)

	Average Weekly FTEs Comparison Period 1	Average Weekly FTEs Comparison Period 2	Average Weekly FTEs in Selected Period
Total	14	18	15
FTE Exceptions			0.375
Final Total	14	18	15.375

FTE Estimator (Excel)

FAQ for Nonprofits: Managing your Paycheck Protection Program Loan and Forgiveness

FAQs

<https://fmaonline.net/ppptoolbox/>

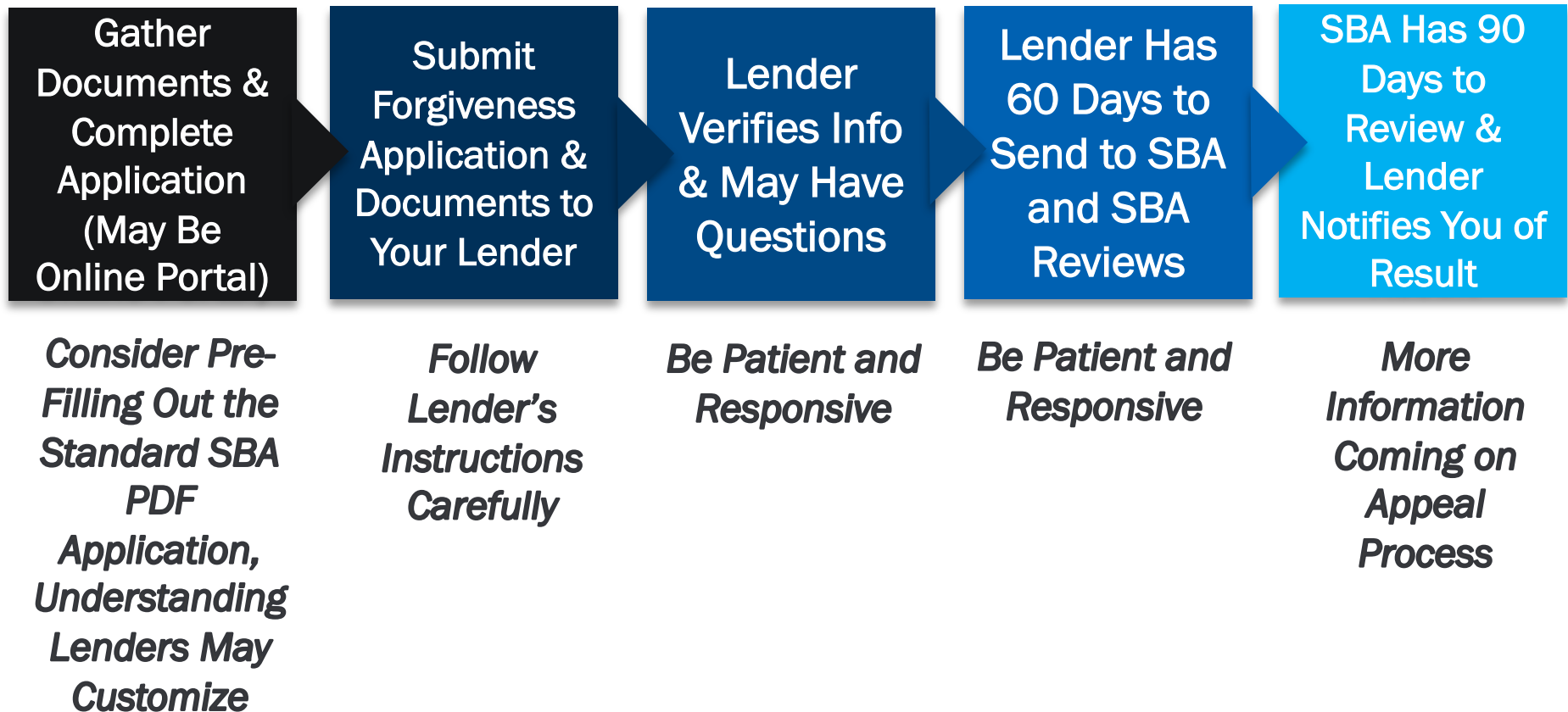


What should we expect from the
Forgiveness Application
and related process?

What are the steps for getting forgiveness?

Sample Process You Might See After Your Forgiveness Period Ends.

You Have Up to 10 Months to Submit Your Application:



While you can apply before your Covered Period ends, we are still awaiting more guidance on how this would affect any FTE reduction penalties.

Forgiveness Application: Two Options

Standard Application

Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____
 PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Form EZ

Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____
 PPP Loan Amount: _____ PPP Loan Disbursement Date: _____
 Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

Each has an accompanying set of instructions.

Take a breath. You've probably filled out more cumbersome grant applications. Or your own taxes. We're here to break it all down.

<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

Can I Use Form EZ?

The forms ask for similar information and you may not notice a major difference if your lender is using an online portal. But so you're aware:

You can use Form EZ If You Meet **A** and either **B** or **C**:

A

Wage Reduction Check

You did not reduce the annual salary or hourly wage of any employee* by more than 25% during the Covered Period (8 or 24 weeks) compared to the period between 1/1/20 and 3/31/20?

(*This applies to any employees who made less than \$100k annualized on each paycheck in 2019)

+

B

Or

C

Workforce Reduction Check

You did not reduce the number of employees or average paid hours of employees between 1/1/20 and as of the end of the Covered Period.

(Ignore reductions that occurred during the Covered Period from the following when comparing:
Inability to rehire similarly qualified employees;
employees requested a reduction in hours; firings for cause; or voluntary terminations)

Health & Safety Compliance Check

You did experience reductions in "business activity" compared to prior 2/15 levels as a result of complying with health directives related to COVID-19 (e.g., social distancing, sanitation, etc.).

We're Going to Help You Get Here:



Paycheck Protection Program Loan Forgiveness Application

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Covered Period: April 17, 2020 to June 11, 2020

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):	36,385
Line 2. Business Mortgage Interest Payments:	0
Line 3. Business Rent or Lease Payments:	5,000
Line 4. Business Utility Payments:	3,000

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):	4,000
Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:	40,385
Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):	.825

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):	33,317.63
Line 9. PPP Loan Amount:	55,000
Line 10. Payroll Cost 75% Requirement (divide line 1 by 0.75):	60,641.67

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):	33,317.63
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When is the “Covered Period”?

The primary purpose of the loan is to use it on allowable expenses during the Covered Period: the 8 or 24 weeks following when you received it. The allowable spending you have during this 8 or 24 weeks is what will count for forgiveness.

**How To Define the Period:
8 Weeks aka 56 Days or 24 Weeks aka 168 Days**

The Covered Period starts with the loan disbursement date.

However, for administrative convenience, organizations can calculate eligible payroll costs using an Alternative Payroll Covered Period if they are on a bi-weekly or more frequent schedule, delaying the start of their 8 or 24-week period to the first day of their first payroll following when the loan was disbursed. This is not an option for semi-monthly or monthly payrolls.

Choices You'll Need to Make During Your Application Journey – Be Prepared

Covered Period
Starts on the Date of
Loan Disbursement

OR

Alternative Covered Period
Only for Payroll Expenses. Starts
on the Date of Your First Bi-
Weekly or More Frequent Payroll
After Loan Disbursement.

8-Week Period

OR

24-Week Period

Standard FTE Calculation
Hours Paid Per Week / 40

OR

Simplified FTE Method
≥ 40 Hours = 1 FTE
< 40 hours = .5 FTE

FTE Comparison Period Option 1
2/15/2019 – 6/30/2019

OR

FTE Comparison Period Option 2
1/1/20 – 2/29/2020

Also a third optional for seasonal
employers

Questions?

What do we need to Collect,
Calculate, and Complete for each
section of the application?

Ultimately Here's What You Need to Calculate

Maximum Amount
Eligible for
Forgiveness

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Less Penalties

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

60% on Payroll Check

Forgiveness
Amount

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

Line 9. PPP Loan Amount:

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):

What Core Documents Do You Need to Collect First?

- ✓ Payroll reports overlapping with your covered period (paid and incurred) listed by each employee showing cash compensation and employer paid state/local taxes.
- ✓ Reports or statements showing employer paid benefits showing health insurance as well as retirement (both excluding employee contributions)
- ✓ Reports listed by employee showing FTE count or number of hours worked per week (i) as of **January 1, 2020; during your covered period**; (ii) between **2/15/19 – 6/30/19**; (iii) between **1/1/20 – 2/29/20**. *If you already know if (ii) or (iii) will show lower FTEs, just grab the lower one.* For exempt employees, you will need to understand the standard number of hours they are paid for (e.g., 40, 32)
- ✓ List of rent, lease payments for real or personal property and mortgage interest payments from arrangements in place before 2/15/20 that were paid or incurred during the covered period
- ✓ List of utility payments paid and payments incurred during the covered period (electricity, gas, water, transportation, telephone, and internet access in service before 2/15/20)

Check if your Payroll Company has created customized reports for you on PPP Forgiveness

What Other Documents Might You Need to Get Started?

Did you reduce salary level or hourly rates in 2020?

- Gather the changes in those rates throughout 2020, starting 1/1/20

Will it be clear from other reports gathered who made ≤\$100k annualized for all pay periods in 2019?

- Gather a list of salaries as of 1/1/2019

Did you experience a staff reduction from 2/15/20 – 4/26/20 and then fully recover your FTE count by not later than 12/31/20?

- *Gather payroll or time tracking reports to understand the FTE count/# of hours worked per employee for*
 - 2/15/20 – 4/26/20
 - As of 2/15/20
 - As of the Period you got your FTE count back up to 2/15/20 levels

Ultimately Here's What You Need to Calculate

Maximum Amount
Eligible for
Forgiveness

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Less Penalties

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

60% on Payroll Check

Forgiveness
Amount

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

Line 9. PPP Loan Amount:

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

Forgiveness Amount

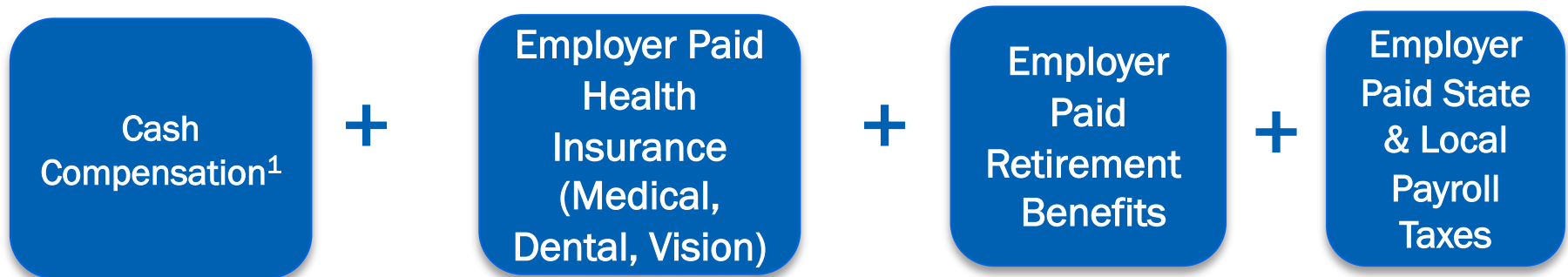
Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):

Let's Start with Payroll Costs

Payroll and Nonpayroll Costs

Line 1. Payroll Costs:

During the 8 Week or 24 Weeks, Add Up What Was Paid and Incurred:



Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period (or Alternative Payroll Covered Period) are eligible for forgiveness if paid on or before the next regular payroll date.

¹Cash compensation includes salaries, wages and commissions (including to furloughed employees), tips, bonuses, hazard pay, paid leave, severance, and housing allowances. Cash compensation eligible for forgiveness is limited to **\$15,385** per employee is using an 8-week covered period or **\$46,154** if using a 24-week period.

Check if your Payroll Company has created customized reports for you on PPP Forgiveness



Next, Let's Calculate Non-Payroll Costs

During the 8 Week or 24 Weeks, Add Up What Was Paid and Incurred:

Line 2. Business
Mortgage
Interest
Payments

Mortgage Interest Paid on Real or Personal Property
on Obligations In Place by 2/15/20
+ Prorating the amount Incurred but not Paid

Line 3. Business
Rent or Lease
Payments

Rent or Lease Payments Paid on Real or Personal Property
from Arrangements In Force by 2/15/20
+ Prorating the amount Incurred but not Paid

Line 4. Business
Utility Payments

Electricity + Gas + Water + Transportation + Telephone + Internet
Paid from Services that Began by 2/15/20
+ Prorating the amount Incurred but not Paid

An eligible nonpayroll cost must be paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period.

Questions?

Ultimately Here's What You Need to Calculate

Maximum Amount
Eligible for
Forgiveness

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

Line 2. Business Mortgage Interest Payments:

Line 3. Business Rent or Lease Payments:

Line 4. Business Utility Payments:

Less Penalties

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

60% on Payroll Check

Forgiveness
Amount

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

Line 9. PPP Loan Amount:

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):

Now onto the first potential penalty: Salary Reduction

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Here's What The
Reduction is Trying
to Get At:

Of (a) new employees who started in 2020 or

(b) the employees with avg. annualized salaries of \$100k or less
during all pay periods in 2019

Who were paid during the Covered Period

Did you reduce any of their salaries/hourly rates by more than 25% (e.g., \$90k salary to \$45k salary or \$21/hr to \$14/hr – just the rate, not hours of work)

During the Covered Period
as compared to their salary or hourly rate between
Jan 1, 2020 – March 31, 2020

First, figure out if you qualify for a Safe Harbor for restoring their salary.

If you don't qualify for the Safe Harbor, you need to calculate how much cash compensation above 25% each applicable person loss as a result.

Now onto the first potential penalty: Salary Reduction

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

Examples

There are tables in the application you can choose to use. You don't have to use them though. You just need have the data somewhere to back up your calculations.

Name	Start Date	End Date	Avg. Salary During 2019	Avg. Salary 1/1/20 - 3/31/20	Salary Reduced 2/15/20 - 4/26/20?	Avg. Salary in Covered Period	Salary at 12/31/20	Salary Reduction Result
Robin	8/1/18	N/A	\$75,000	\$78,000	No	\$78,000	\$78,000	None
Jill	5/1/16	N/A	\$130,000	\$130,000	Yes	\$90,000	\$90,000	None (2019 Salary > \$100k)
Zara	5/1/16	N/A	\$25/hr	\$25/hr	Yes	\$15/hr	\$25/hr	None (Salary Restored)
Antoni	2/1/20	N/A	N/A	\$120,000	No	\$75,000	\$75,000	\$2,307.69 (Started in 2020)
Sally	8/1/18	6/1/20	\$20/hr	\$20/hr	Yes	\$14/hr	N/A	\$160 (Assumes 20 hr/week)
Total Salary Reduction Penalty								\$2,467.69

Check Out the Appendix for More Details on How to Calculate or on Page 4 + 5 of SBA Application Instructions Document

Now onto the other potential penalty: FTE Reduction

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

**Here's What The
Reduction is
Trying to Get At:**

By what %, if any, did you
reduce FTEs between:
your Covered Period and either

2/15/19 – 6/30/19 or
1/1/20 – 2/29/20 *or*

if you're a seasonal employer,
a 12-week period between
5/1/19 – 8/15/19?

How do I calculate Average FTE?

Your goal is **add up the number of employees as FTEs you had during your Covered Period** (e.g., 7 FTEs). Specifically, what is the sum of each of your employee's average weekly FTE over the Covered Period, rounding to the nearest tenth? You'll get to factor in some exceptions.

Two Ways to Calculate

Mathematical Method

1 FTE = 40 hours/week

Example: Someone who is paid for 16 hours/week = .4 FTE

Simple Method

Anyone who is paid for 40 hours/week or more = 1 FTE

Anyone who has fewer hours = .5 FTE

If you have a lot of part-time employees or a lot of changes in hours during 2020, probably easiest to use Simple Method.

What exemptions might increase my Average FTE?

The rules try to take into account that certain things may have happened with your employees. You get to add back in for lost FTEs for the following reasons:

- Did you make a good-faith written offer to **rehire an employee during the Covered Period and it was rejected?**
- Was an employee **fired for cause during the Covered Period?**
- Did someone voluntarily **resign or request** and receive a **reduction of their hours during the Covered Period?**
- Did you make a good-faith effort to **rehire for a spot of someone who was an employee on 2/15/20** had but you **couldn't find a similarly qualified employee** by 12/31/20?

Examples:

Jill was a full-time employee working 40 hours per week. She quit halfway through your covered period. You can still count her as 1 FTE for the full covered period.

Roderick was a full-time employee working 40 hours per week. They asked to go down to 20 hours per week for part of the Covered Period. You can still count them as 1 FTE for the full covered period.

How do I calculate Average FTE?

Employee	Average Hours Paid Per Week During <u>Covered Period</u>	Any Exemptions Kick In?	Average FTE (Mathematical)	Average FTE (Simplified)
Alice	30	Was at 30 hours and then fired for cause the second week of the Covered Period	.8 (Keep at expected level as if the firing hadn't happened)	.5
Jackson	40	No	1.0	1
Dianne	20	Requested Hours Be Reduced from 30 to 10 halfway through the Covered Period	0.8 (Keep at expected level as if the reduction hadn't happened)	.5
Rami	28	No	0.7	.5
Average FTE			3.3	2.5

How do I compare my FTE count to another period?

→ Line 11. Average FTE during the Borrower's chosen reference period: _____

Line 12. Total Average FTE (add lines 2 and 5): _____

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: _____

1 Choose a Comparison Period

Choose the period with the lower FTE count

**Feb 15, 2019 –
June 30, 2019**

OR

**January 1, 2020 –
Feb 29, 2020**

Seasonal can also choose to use any consecutive 12-week period between 5/1/19 – 9/15/19

2 Calculate the Average FTE from the Comparison Period

Use the same methodology (mathematical or simple) you used to calculate Average FTE earlier

Employee	Average Hours Paid Per Week During <u>2/15/19 – 6/30/19</u>	FTE
Joanne	30	0.8
Jackson	40	1.0
Robert	40	1.0
Dianne	16	0.4
Rami	30	0.8
Average FTE during Borrower's chosen reference period		4.0

How do I finish getting to the FTE Reduction Quotient?

**FTE Reduction
Quotient:**

Average # of FTEs Per Week
During Covered Period

Average # of FTEs Per Week
in Comparison Period

Sample from PPP Schedule A

Line 11. Average FTE during the Borrower's chosen reference period:	<u>4.0</u>
Line 12. Total Average FTE (add lines 2 and 5):	<u>3.3</u>
Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met:	<u>.825</u>

What are the opportunities to bypass the FTE Reduction Calculation (aka Penalty)?

Three Opportunities to Bypass the FTE Reduction Calculation (aka Penalty). Meet One to Bypass:

- You did not reduce the number of employees or average paid hours of your employees between Jan 1, 2020 and the End Of Your Covered Period
- You were unable to operate between 2/15/20 and the End of Your Covered Period at the Same “Level of Business Activity” as before 2/15/20 due to compliance with health directives related to COVID-19 (e.g., social distancing, sanitation, or other customer safety requirement)
- You restored any reductions from 2/15/20 – 4/26/20 to their 2/15/20 levels by the **no later than 12/31/20**. You will know this based on completing the FTE Reduction Safe Harbor calculations in the Application.

Almost Done → Bring it All Together

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):

36,385

Line 2. Business Mortgage Interest Payments:

0

Line 3. Business Rent or Lease Payments:

5,000

Line 4. Business Utility Payments:

3,000

\$44,385

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3):

4,000

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5:

40,385

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):

.825

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7):

33,317.63

Line 9. PPP Loan Amount:

55,000

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60):

60,641.67

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):

33,317.63

If you are choosing to reduce your Forgiveness Amount, e.g., because you're avoiding double dipping or have expenses associated with a (c)(4) or other ineligible nonprofit, it is likely you would then reduce from Line 11. Trying to calculate before then could lead to unnecessary miscalculations and penalties.

Finish Line → Certifications + Signature

Some highlights of what you will need to certify:

- Your organization used it for **allowable purposes**
- You factored in any workforce or wage **reduction penalties**
- You were **careful about your forgiveness calculations** and submitted all proper backup. (This burden is primarily with you more than your lender)
- If you knowingly use the funds for other purposes or mispresent the forgiveness amounts, this could lead to needing to **returning** the loan, **fines** up to \$1M and/or **fraud charges**

Questions?

FMA Paycheck Protection Program Toolbox



The screenshot shows the FMA website's navigation bar with links for Home, Who We Help, How We Help, and About. A sidebar on the left features a 'COVID-19 Continuity Guidance and Resources' banner and a 'COVID-19 Response Resources' link. The main content area is titled 'Paycheck Protection Program Toolbox' and includes a 'Most recent updates below: Tuesday 7/14 9 pm ET' section. This section discusses SBA guidance updates and provides a link to 'Click to Subscribe for PPP Updates' and a 'Take our brief PPP Survey' button. Below this, a paragraph explains the toolbox's purpose for nonprofit organizations, followed by a list of resources: FMA Resources, FMA Clinics, Federal Government Resources, and Others' Resources.

FMA
FISCAL STRENGTH FOR NONPROFITS

Home Who We Help How We Help About

COVID-19
Continuity Guidance
and Resources
To sustain nonprofit operations

COVID-19 Response Resources

Paycheck Protection Program Toolbox

Most recent updates below: Tuesday 7/14 9 pm ET
During June, the SBA released new guidance, including a revised Loan Forgiveness Application and added a new Form EZ for a more streamlined application process that will apply to some organizations. Check out our *Highlights of the latest updates from the SBA* and review our new materials below.

On July 6, the SBA released the organization names, loan amount ranges, lenders and other information of all organizations, including nonprofits, who received PPP loans of \$150,000 and larger. FMA will be creating guidance for nonprofits on how you might consider navigating any questions you received on PPP.

[Click to Subscribe for PPP Updates](#) [Take our brief PPP Survey](#)

Our PPP Toolbox is designed to support nonprofit organizations as they navigate the Paycheck Protection Program, from Application, through Loan Management and Reporting, and Forgiveness. If you are looking for information to support a small business, you may find our tools useful, but they are designed primarily with the needs of nonprofit organizations in mind. The links below will take you to the relevant section of this page:

- [FMA Resources](#) – The latest tools and answers to your questions
- [FMA Clinics](#) – Free assistance in a live webinar format, daily.
- [Federal Government Resources](#)
- [Others' Resources](#)

<https://fmaonline.net/ppptoolbox/>



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